

# US Aid to Pakistan: Nation-Building and Realist Objectives in the Post 9/11 Era

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University.*

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24 March 2016

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# Abstract

The United States (US) has always used its aid program as a strategic lever in foreign policy. In the early days of aid, it was used to prosecute the Cold War. Now aid supports the United States in its effort to win the war on terror. Aid is used both to pursue short-term or “realist” objectives (e.g., to win support for US foreign policy goals) and long-term or “nation-building” ones (e.g. to strengthen governance). The trade-offs and tensions between these goals have been examined for the Cold War period (e.g., Seitz 2012), but not the post 9/11 one.

This research takes a case-study approach and examines US aid to Pakistan. It is based primarily on interviews with the Pakistani and American elite collected in Pakistan between October 2011 and October 2013 and the United States in March 2012.

The period of research (2011-2013) is one in which the Obama Administration tried to pivot its relationship with Pakistan away from a focus on realist objectives (principally, the war in Afghanistan) towards nation-building ends, for example, through a much larger civilian aid program to improve Pakistan’s governance and the economy. This thesis examines the success of that pivot, and argues it was limited, on three main grounds

First, both groups of elite view Pakistan’s challenges are mostly nation-building in nature, and particularly related to its economy (and, in the case of the Pakistani elite, internal security needs). But both groups nevertheless perceive that the US still primarily wants cooperation on countering terrorism and in Afghanistan. Second, the leverage and goodwill that US aid provides is seen to be undermined by the pursuit of its realist objectives. Third, US aid is seen by many in the elite as targeted at the elite not the masses.

Some interesting differences in views between the two groups of elite are observed. In general, more importance was attached to nation-building objectives by US respondents than by Pakistani respondents. For example, US respondents were more

likely to think that the US was concerned with trying to improve Pakistani governance and was trying to influence public opinion in Pakistan, whereas Pakistani respondents viewed US aid as much less concerned with governance and more directed to the Pakistani elite.

Despite these differences, which are suggestive of at least a genuine US intent to engage in nation-building, the findings of the thesis point to a failure by the Obama Administration to follow through on its nation-building objectives in Pakistan. Nation-building floundered, it is argued, because of ongoing disputes in relation to realist goals, especially in relation to the war on Afghanistan.

Several published studies of US-Pakistan relations argue for a further nation-building push. In my interviews, I find considerable support for such a position in the US elite. However, I also find little sympathy for it on the Pakistani side. The Pakistani elite is concerned rather to regain equality in their relationship with the US. They see the need to put their own house in order, but have little appetite for US assistance. This calls into question the likely success of any further nation-building push on the part of the US in Pakistan.

The academic contribution of this thesis is to establish the relevance of Cold War aid analysis for the post-9/11 era. The findings are consistent with much of the Cold War literature, though some nuances are provided to earlier conclusions. The policy contribution is to suggest that in cases such as Pakistan where short-term foreign policy goals are of great importance the US should put nation-building on the back-burner.

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# Chapter One: Introduction and context

*“How do you try to help Pakistan keep from becoming a failed state? How do you help them maintain internal stability? How do you get them to not support the Taliban and other terrorist groups? How do you get them not to proliferate nuclear weapons?”*

*Professor Robert Lieber, Georgetown University. (Interview: 14 March 2012).*

## 1.1 Introduction

The multi-volume, 2013 edited collection *The Geopolitics of Foreign Aid* reminds us with its opening words “Foreign aid is an essential element of foreign policy for many countries.” (Milner and Tingley 2013c). Certainly the United States (US) has always used its aid program as a strategic lever in foreign policy, alongside diplomacy and defence. The Foreign Assistance Act of 1961 states that aid is to be used to promote “the foreign policy, security and general welfare of the United States” (Burnett 1992, p. 27). Little has changed since. The United States Agency for International Development (USAID) website states that “We partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity.” (USAIDa 2015).

In the early days of aid, it was used to prosecute the Cold War. More recently, aid has been a weapon in the war on terror. Aid has been used to win recipient support for foreign policy goals (such as opposition to communism or support for the war on terror). It has also been used to try to buy popularity for the US, to bolster development and, more ambitiously, “nation-building” in what are today called fragile states. But what are the trade-offs between all of the different objectives of aid?

There is no more interesting or important country to attempt to answer this question than Pakistan. The United States and Pakistan have had a long relationship, within which aid has played a crucial role. Since 9/11, the US has used aid, with varying degrees of success, to win Pakistan’s support for the war on terror, to promote development and nation-building in Pakistan, and to win “hearts and minds”.

Despite this, there has been little research on US aid to Pakistan, and, in particular, little research that has sought to understand both US and Pakistani perspectives on aid. In recent years, the country has been all but shut off to long-stay foreign researchers on security grounds. In this thesis, I used the unique opportunity I received to spend more than three years in Pakistan (as a diplomatic spouse) between July 2010 and October 2013 to engage intensively with the issue of aid to that country. The years I had in the country were fascinating and turbulent ones; they

included game-changing events like the May 2011 US operation that killed Osama bin Laden, and the historic May 2013 national elections. The insights I was able to obtain will, I hope, provide a useful contribution to analysis of aid's conflicting objectives.

Beyond an interest in the objectives of aid, and a fascination with understanding a country that is now off-limits to most, two additional motivations guided my work.

First, as already noted, there is little reference in the post-9/11 period to the pre-9/11 era and in particular to aid during the Cold War. The Cold War period is a useful point of comparison when examining the United States' foreign aid policy, given that during both periods aid was given in return for a promise: whether it was to sway countries away from communist ideals and aligning with the Soviet Union; or to help the United States win the war on terror. Yet, also, in both periods aid was given for development and/or nation-building reasons. Seitz (2012) explores these tensions in the context of Cold War aid giving, but they have not yet been examined in the literature in the context of the war on terror.

Secondly, most of the literature on foreign aid, no matter the topic, is based on donor perceptions. This research seeks to address this gap, highlighted by Riddell (2014), through the comprehensive examination of the perspectives of both aid donor and aid recipient.

The primary research tool used in this thesis is elite interviews. While hearing is not believing, I am particularly interested in comparisons and contrasts between the views of the donor and those of the recipient, and argue that both sets of views illuminate the story of aid to Pakistan.

This context-setting chapter begins with some definitions, and a brief overview of the history of nation-building within the US aid effort (Section 1.2). It then provides a brief history of Pakistan, of US-Pakistan relations, and of US aid to Pakistan (Sections 1.3 to 1.5), before concluding (Section 1.6). The next chapter will examine the relevant literature and provide the questions and methods underlying this research.

## 1.2 The United States and nation-building: not just a post 9/11 phenomenon

### 1.2.1 *Nation-building and realist aid objectives*

Since nation-building is a critical concept for this thesis, it is important to define it at the outset. Francis Fukuyama defines it as “constructing political institutions, or else promoting economic development” (2006, p.3). Thomas Seitz has a slightly more narrow definition, in terms of “programs designed to strengthen a recipient state’s control over its territory, enhance its popular legitimacy and generally improve its stability and viability” (2012, p. 1). Fukuyama points out that Americans are criticised for using the terms nation-building and state-building interchangeably, i.e., what the Americans refer to as nation-building, Europeans would call this state-building coupled with economic development. This thesis follows the American conceptualisation of nation-building, that is, as activities encompassing both reconstruction and development (2006, p.3).

There is a tendency to define nation-building objectives only in relation to military interventions; see for example, Pei, Amin and Garz (in Fukuyama 2006). It is true that many nation-building exercises are preceded if not accompanied by military engagements; think of the Balkans, Iraq or Afghanistan. But an element of military intervention should not be regarded as essential to making an aid effort one of nation-building. We can think of nation-building exercises after the Second World War (Germany and Japan, for example); or in Southeast Asia during the Vietnam War, not only in Vietnam (which was at war) but in, say, Indonesia, which was not.

Fukuyama is clear in his definition that nation-building goes beyond military intervention, for example, by talking about Pakistan in the Cold War era as a “prime example” of the failure of state building (2006, p.5). Clearly, he puts America’s efforts there under the state or nation-building heading even though there has never been a US military intervention in Pakistan.

Rashid also defines nation-building in a broad way, without a necessary link to a military intervention. He defines it as “aid and support to civil society to rebuild the

shattered economy, provide livelihoods, create social and political structures, and introduce democracy” (2008, p. LIII).

Aid can have realist as well as nation-building objectives. Following Sietz (2012, p.141), the realist objective of aid is “its promotion of direct interest, the quid pro quo approach that used aid as payment for services rendered, as in maintaining basing or transit rights.” From this perspective, aid is viewed as a way to bind countries to align with the US, and to increase the likelihood that they will make foreign policy and security decisions consistent with US preferences. Such objectives for aid were initially emphasised by realist scholars such as Morgenthau (1963). However, there is **no** attempt made in this thesis and there is no need to link the realist objectives of aid to realism as a school in international relations (on which, see, for example, Mearsheimer 2002, and Viotti and Kauppi 2012).

Indeed, different terminology could be used in place of the dichotomy between the nation-building and realist objectives of aid, which I choose following Seitz’s work on the role of nation-building in US foreign policy. Banfield (1963) talks of an indirect vs. direct dichotomy in relation to aid, and, as can be seen from the paragraph above, Sietz draws on this in his definition of the realist objectives of aid. Banfield writes that the direct objective of aid is to “directly influence the recipient governments and people to act as the interests of the United States requires or, more often, to refrain from acting in ways injurious to the United States” (p.24). Banfield says that the indirect objective of aid is to “bring about fundamental changes in the outlook and institutions of the recipient society” (p. 4), which is essentially my definition of the nation-building objective.

Burnett (1992) uses different terminology again. He contrasts the “short-term” and “long-term” goals of aid. His short-term (“Cold War” or the containment of the direct communist threat) goals are our realist and Banfield’s direct goals. His long-term goals (“economic self-sufficiency, democracy, social reform”) are our nation-building and Banfield’s indirect goals.

While all three pairs of terms can be found in the literature, talking about “nation-building” and “realist” objectives seems more evocative and informative than talking

about “indirect” and “direct” or “long-term” and “short-term” objectives. Another possibility would be to talk of “strategic” instead of “realist” objectives. However, since nation-building objectives can also be pursued for strategic reasons I avoid this.

There is an ongoing debate about the relative merit of these various objectives for aid. Those opposed to nation-building view it as misguided social engineering that “diverts attention and money to small and remote countries of marginal relevance to vital American interests” (Menkhaus 2003, p.8). While those who describe themselves as realists are often opposed to nation-building (Walt, 2012), a realist case for nation-building can also be made (Miller 2010).

The interest in this thesis is not which objective makes more sense in general, but what weight they are given and what the trade-offs are between the two are when they are both pursued. Though there is clearly a tension between them, it has been little explored in the literature in the post-Cold War era. Chapter 2 returns to these issues with a literature survey.

### *1.2.2 The rise and fall and rise of nation-building in US foreign policy*

US realist aid objectives are obviously long standing, stretching back through the Cold War. But it is important to recognise that nation-building is also not a new objective for the United States’ aid program. (See Essex 2013 for a recent history of USAID.) An examination of the United States’ nation-building interventions demonstrates that the United States’ nation-building efforts span multiple decades and countries (Dobbins et al. 2003). Indeed, the United States is perhaps the world’s largest unilateral nation builder. Of the more than 200 cases of the use of force by the United States since 1900, Pei, Amin and Garz (in Fukuyama 2006) find that 17 cases (including the occupation of Iraq) may be considered attempts at nation-building. They comprise interventions in a diverse group of countries, including Afghanistan, Haiti, Japan and Cuba (p. 65).

Why does the United States persist with its policy of nation-building, an approach it has taken for more than one hundred years? Some suggest that it stems from the American character:

Americans have engaged in nation-building throughout their history, but their impulse to do so springs naturally and inevitably from their character and experience as a people (Kagan 2011).

But the US also undertakes nation-building for strategic reasons: to contain communism and, more recently, to win the war on terror. As Seitz writes:

Nation-building was a fundamental, if understated, element of containment from the earliest years of the Cold War and indeed, throughout most of the twentieth century (2012, p.4).

To prove his point, Seitz provides a comprehensive evaluation of US nation-building policy during the first two decades of the Cold War during the Eisenhower, Kennedy and Johnson Administrations. He shows that initially the United States addressed the threat of communism through security assistance programs in developing countries. Over time, however, Eisenhower became convinced that the Soviet threat would come economically, as Moscow opened trade and aid relationships with the developing world, in a marked departure from the policies of the Stalin era. Eisenhower adjusted US policy accordingly to focus more on development:

Washington's perceptions of and response to these Soviet economic initiatives are highly significant because they focused US attention on economic development assistance as a *security* measure; such aid gained salience as a Cold War weapon. In response to these Soviet initiatives, the Eisenhower Administration launched the first significant program of public-sector economic aid to the developing countries... The aid war also triggered a sweeping reassessment of the appropriate balance between military and non-military aid instruments in Washington's security assistance policy, and it redirected the course of US aid policy for the next decade (p. 6).

Kennedy further intensified the United States' emphasis on nation-building, with a greater emphasis on rural development. Indeed, Seitz sees the Kennedy Administration as the high point of interest in nation-building during the Cold War. Kennedy was concerned with the threats to Indochina, Indonesia and elsewhere in Southeast Asia and centred his approach on overcoming counterinsurgency in these areas through developing policies to win the "hearts and minds" of the people. The



Johnson Administration also implemented Kennedy's initiatives, but increasingly resorted to military measures in security assistance, at the expense of economic development measures in response to perceived threats (ibid, p.19).

The Nixon Administration marked a shift back to realist objectives. Seitz (2012) writes that, under Nixon:

Washington's use of aid in developing countries was to be targeted less toward promoting internal stability through development and more towards *quid pro quo*, conditionality and bribes ...there was no longer a broader, regional effort towards internal defence through political development efforts. The USA was stepping back from its broad nation-building project in the developing world (p. 139-40).

The focus instead shifted to protecting regimes from being overthrown. This was reflected in Nixon's Guam Declaration, which stated that the US would: "provide recipients with military aid and honour security pacts, but would expect those recipients to look after their own internal security" (ibid, p.139). The Nixon Doctrine, as it came to be known, reflected an approach that involved "transferring the responsibility and necessary hardware for maintaining security to the local regime," which signaled Nixon's view "that the USA's role in shaping recipients' domestic politics should be limited" (ibid, p. 142).

The United States' interest in unilateral nation-building receded further when the threat of communism was removed following the collapse of the Soviet Union. However, while the US did not engage in nation-building on its own, it did begin to display greater willingness to work multilaterally to intervene in humanitarian disasters and to rebuild failed states, for example, in Haiti, Somalia and the Balkans.

Nation-building got a new lease on life following the terrorist attacks in the United States on September 11, 2001. Pre-9/11, George W. Bush's Administration was anti-nation-building. Bush ran for President on a platform that specifically disavowed nation-building. Yet, the policy became central to the Bush Administration's response to the 9/11 terrorist attacks. Mockaitis (2003) commented soon after 9/11: "A president who campaigned on a promise not to engage in nation-

building finds himself stuck with a belly full of it and faces more in the future” (p. 33).

Kuperman (in Greenblat 2011) reinforces this point: “If you’d have asked Dick Cheney on September 10, 2001, if he supported nation-building, he would have said *are you on crack?* But all of a sudden, he became a big nation-builder”. This change of heart is reflected in President George W. Bush’s 2002 National Security Statement, which declared that the US would not only defeat global terrorism, but ignite a new era of economic growth and expand development by opening societies and building democracy: “America is now threatened less by conquering states than we are by failing ones.”

In dealing with the Bush Administration’s unpopular operations in Iraq and Afghanistan (Dodge 2006; Brownlee 2007), the Obama Administration was careful not to engage in nation-building rhetoric publicly. And indeed, it is difficult to find any explicit references at all to nation-building by President Obama. Yet this change was one of packaging, rather than policy. As Tellis (2009, p.1) writes “The Obama Administration, while implicitly acknowledging the need for nation-building, has avoided making this a publicly announced policy.” As we will see later in this Chapter (Section 1.5), under President Obama US policy in Pakistan in fact became more concerned with nation-building not less.

It is clear that in the post-World War II era official interest in nation-building has waxed and waned. US nation-building efforts and associated rhetoric reached a peak under Kennedy, and fell away with Nixon with the end of the Cold War and the reprioritisation of foreign policy goals towards realist ends. However, with US engagement in the Balkans and in Africa in the 1990s, the US interest in nation-building never fully went away. Interest rose again in the 2000s, in response to the scourge of terrorism.

### 1.3 Pakistan's history and development: an overview

Pakistan has battled instability throughout its history. Successive bouts of authoritarian rule, regional and ethnic divisions, economic volatility and chronic insecurity have created an unsteady melting pot of social, economic and political challenges.

Almost from the outset, Pakistan failed as a democratic state. The country became independent in 1947, but was unable to ratify a constitution until 1956. The army seized control of the government in a 1958 coup, and since then Pakistan has swung between periods of dictatorship and democracy. Three military coups have taken place in all, in 1958, 1977 and 1999. All have led to lengthy periods of authoritarian rule. Since independence, Pakistan has been ruled by the military for almost half of its history. Pakistan returned to civilian rule most recently in 2008, three years prior to the commencement of my fieldwork research in Pakistan. In 2013, it had the first peaceful transition via federal elections from one civilian government to another.

While at the time of writing Pakistan remains a democracy, the army is very powerful, particularly in the areas of defence and foreign policy, and it would be foolish to underestimate the possibility of another coup. Illustrative of the military's enduring strength in Pakistan, during a state visit to Washington DC in October 2015, Presidents Sharif and Obama continued to differ on all areas that divide them: Afghanistan, India and nuclear security in South Asia. However, many commentators noted: "since all these issues concern security, the Americans will, hopefully, have more substantive talks when Army chief Raheel Sharif visits next month...The general perception in Washington is that Pakistan's civilian government does not have much say in security matters" (Iqbal 2015).

Pakistan's founders had to govern not only a new state, but a state that combined two masses of territory 1,000 kilometres apart and separated by India. In his analysis of the modern state of Pakistan, Owen Bennett-Jones (2009) highlights the key challenges the government faced in uniting Pakistan during its formative years. East Pakistan was more populous (42 million, according to a 1951 census, compared to 34 million in the west) and more homogenous than West Pakistan. "[B]oth Hindus and Muslims spoke Bangla, and only 1 per cent spoke Urdu [in East Pakistan]. West

Pakistan by contrast, was an ethnic cocktail and brought together Punjabis, Sindhis, Pukhtoons and the Baloch, as well as the newly arrived Urdu speakers” (p. 145).

The perception in Dhaka of West Pakistan’s dominance in political, social and economic life resulted in numerous violent protests. In the 1970 election, the East Pakistani Awami League won 167 out of 169 seats in East Pakistan, thereby winning a majority of seats in the central government’s 313-seat parliament, and the right to form government. However, the leader of the biggest political party in West Pakistan, the Pakistan Peoples Party, Prime Minister Zulfikar Ali Bhutto refused to yield his leadership of the parliament to the Awami League, even though it had more seats. President Yahya Khan called in the military, dominated by West Pakistanis, to suppress the uprising in East Pakistan. In 1971, India intervened after deciding that an independent Bangladesh would be in its interests. The liberation of Bangladesh occurred on 16 December 1971.

Pakistan’s perception of India influences most aspects of national life. Enmity with India shapes the national narrative of politics, the economy and the military. At the heart of the enduring tension between India and Pakistan lies the struggle for Kashmir. Three wars have been fought in and over Kashmir (1948, 1965 and 1999) and ongoing skirmishes between the two militaries have the potential of escalating.

Pakistan’s ongoing tensions with India are seared into the national consciousness and are used to justify defence budgets (which are large relative to Pakistan’s GDP) and foreign policy decisions. Prime Minister Zulfikar Ali Bhutto famously said in 1965: “If India builds the bomb, we will eat grass or leaves; even go hungry, but we will get one of our own” (Khan 2013, p.7). In the years following independence, Pakistan sought to build up its armed forces in order to defend the nation against India. According to Talbot (2009), between 1947 and 1950, up to 70 per cent of the national budget was allocated for defence. This could only be done through: “diverting resources from ‘nation-building’ activities and expanding the state’s administrative machinery to ensure the centre’s control over the provinces’ finances. The long-term repercussions were a strengthening of the unelected institutions of the state – the bureaucracy and the Army – at the expense of political accountability” (Talbot 2009, p. 119). In part because of their rivalry, both India and Pakistan have developed

nuclear capability, something they both demonstrated in the late 1990s and which only temporarily made both countries international pariahs, but which has certainly increased tensions between the two. India was always too big to fail. Pakistan, by virtue of its nuclear capability, has perhaps also joined that club.

In the decades immediately following independence, Pakistan grew faster than India, but growth slowed over time. Average annual real per capita GDP growth rates in Pakistan were 4.5 per cent in the 1960s, 1.6 per cent in the 1970s, 2.9 per cent in the 1980s, 1.3 per cent in the 1990s, and 2.3 per cent from 2001 to 2014 (World Bank 2015). In the 1960s, Pakistan was seen as a model of economic development around the world, and as a country that was set for “take-off” (Looney 2004, p.774). Comparisons were made between “free-market” Pakistan and “socialist” India, in the former’s favour. Yet, over time, growth accelerated in India, but slowed in Pakistan, due to political instability and economic mismanagement in the latter among other reasons.

Pakistan’s social development has also fared poorly. India has caught up to Pakistan in terms of life expectancy, which is now about 66 years in both countries, though in the mid-1970s, it was 56 in Pakistan and 52 in India (World Bank 2015). Infant mortality was higher in Bangladesh at the time of independence (145 per 1,000 versus 130 in 1975) but infant mortality is now half the level in Bangladesh that it is in Pakistan (33 versus 69) (World Bank 2015). This may be explained by the greater prevalence of feudalism in Pakistan, and thus the greater concentration of wealth and power in the hands of a few, and also the country’s large military budget. Both factors have deprived the social sectors of funding and attention.

Undeniably, one of the greatest changes in Pakistan since independence has been the influence of Islam. A battle for power between the military and civilians played out in the decades following Pakistan’s independence, with both groups working to establish themselves as legitimate rulers. While it is often thought that General Zia ul Haq Islamised Pakistan, it was in fact Zulfikar Ali Bhutto who began the process. He saw an opportunity to embrace Islamic socialism off the back of two failed secular military leadership periods and introduced several policies to appeal to Islamic conservatives, like banning alcohol, declaring Friday a non-work day and

Islamising the military. General Zia's rule built on Bhutto's Islamisation, making Islamic ideology a pillar of state and saw the military as "indispensable for the maintenance of Pakistan as an ideological state" (Talbot 2009, p. 255). This created the environment for radical Islamists to prosper, and even gain legitimacy, as Islamists were used to pursue foreign policy objectives, particularly in relation to Kashmir and Afghanistan.

Afghanistan has always been viewed as critical by the Pakistani elite, in particular to bolster its position vis-à-vis India. Afghanistan is often referred to as Pakistan's "strategic depth". Gall (2014) explains:

Pakistan had fostered Afghan protégés in order to have a friendly ally in power in Kabul that would protect its western flank. Pakistan was a young nation and paranoically insecure about defending its territory... Rulers in Islamabad were constantly concerned that regional rivals, whether India, Iran or Russia, would use Afghanistan as a springboard to attack Pakistan. Pakistan's generals wanted Afghanistan firmly in their own camp to provide "strategic depth". Some even advocated annexing Afghanistan as Pakistan's fifth province... The [Pakistani] Taliban, a primarily Pashtun band of radical mullahs, fitted the bill and by 1995, became Pakistan's new instrument of policy in Afghanistan (p.46-47).

It was not until the decade after 9/11 that Pakistan became a victim as well as a promoter and exporter of extremist ideology. According to the South Asia Terrorism Portal, in 2000 there were six major incidences of terrorist violence in Pakistan. In 2011, there were 28 major incidences of terrorist violence in October alone (SATP 2014) (see also Figure 3.1 in Chapter 3). The marked increase in terrorist violence can be attributed in part to the war in Afghanistan. The porous border between Afghanistan and Pakistan facilitated the two-way flow of militants: those seeking safe haven in Pakistan and those joining jihad against the American-led forces in Afghanistan. The tribal areas of Pakistan became a heartland for the Pakistani Taliban, who allegedly received support from the Inter Services Intelligence (ISI) in order to carry out attacks against Indian interests in Afghanistan and Kashmir. Blowback on Pakistan started occurring as the Pakistani military, under pressure from the US, began cracking down on safe havens. American drone strikes became a

terrorist recruitment tool, with extremists using civilian casualties as a call to jihad against the Pakistani government and the West. Many terrorist attacks, particularly in the latter half of the 2000s, have been against the Pakistani military and intelligence services, including a large-scale attack against a naval base in Karachi in 2011. A number of attacks have also targeted Western interests, like the 2008 Marriott hotel bombing in Islamabad. It took some time for Pakistan to respond to the growing threat of domestic terrorism, but it started to in July 2009 with the military moving against the Pakistani Taliban in South Waziristan in Operation Rah-e-Nijat (*Path to Salvation*).

#### 1.4 US-Pakistan relations

The United States and Pakistan have had an unsteady and, more often than not, difficult relationship. Kux (2001) writes that since Pakistan gained independence in 1947 its relationship with the United States has “careened between intimate partnership and enormous friction – reflecting the ups and downs of global and regional geopolitics and disparate national interest” (p. xi).

The rollercoaster relationship between the United States and Pakistan has been strongly influenced by the geopolitical environment (Wright 2011). The two became allies in 1954. After India chose a neutralist path, Pakistan became an attractive partner to the United States in its quest to contain Soviet expansionism in the Middle East. In May 1954, Pakistan and the United States signed a mutual defence assistance treaty, the first bilateral security pact between the two countries. In the mid-1950s, Pakistan leaned on the United States for greater assistance given their close relationship. Although US economic and military assistance was slow to arrive, by 1957 Pakistan was receiving significant amounts of military equipment and training and substantial economic aid (Kux 2001, p. 84). The Eisenhower Administration succeeded in achieving closer ties with Pakistan, in part due to this provision of substantial aid. However, this unraveled in the years to follow.

Relations between the two countries first fractured during the Kennedy and Johnson presidencies. The US sided (diplomatically) with India during the Sino-Indian border

war of 1962, and Pakistan, an enemy of India and a friend of China, was sidelined. Pakistan was deeply against the US provision of military aid to India. In a letter to President Johnson, Pakistan's military president, General Ayub Khan, argued: "Aid [to India] imperils the security of Pakistan, your ally... [T]his is no way of preventing the inroads of communism into the subcontinent – if this is the United States' objective. On the contrary, it would facilitate them" (Haqqani 2013, p. 108). In 1965, the Indo-Pakistan war broke out and Johnson largely "gave up on Pakistan". The United States' inability to pressure Pakistan and India not to go to war (in Kashmir in 1965) coincided with the peak of the Vietnam War. Its preoccupation in Vietnam saw the US lose interest in the subcontinent. Kux argues that by the time Johnson left office, the alliance was over in all but name. Washington continued to provide substantial economic assistance, but because of its diminished interest in the subcontinent, it severely curtailed military aid (2001, p. 176).

The United States' rapprochement with China opened the door for a closer relationship with Pakistan, but had little real impact. Nixon's remarks to military President, General Yahya Khan, in October 1970 highlight the improvement in the rhetoric around the relationship between the two countries: "Nobody has occupied the White House who is friendlier to Pakistan than me" (p. 214). Nonetheless, Nixon continued the previous Administration's policy on foreign assistance: the United States remained Pakistan's largest source of economic aid, but provided no security assistance. During this period, the United States' key focus in Asia was "disentangling itself from Vietnam without appearing to lose the war" (ibid, p. 214).

The Soviet invasion of Afghanistan in December 1979 was a turning point in the US-Pakistan relationship. Suddenly, the US needed Pakistan. In a January 1980 speech on Afghanistan, President Carter said, "We will provide military equipment, food and other assistance to help Pakistan defend its independence and national security against the seriously increased threat from the north" (in Kux 2001 p. 247). Pakistan's President, General Zia ul Haq, who took power in a 1977 military coup, rejected the United States' initial assistance offer of US\$400 million in aid as "peanuts", and said "Pakistan will not buy its security for \$400 million... [T]his will buy greater animosity from the Soviet Union which is now more influential in this region than the United States" (Borders 1980). Carter's successor, Ronald Reagan, upped the aid



package to around US\$3 billion “to give Pakistan confidence in our commitment to its security and provide us reciprocal benefits in terms of our regional interests” (Haqqani 2010, p.188). Kux (2001) describes this as “Washington trading military and economic aid for Pakistan’s cooperation in opposing the Soviet presence in Afghanistan” and notes that negotiations were protracted and difficult, but landed on a US\$3.2 billion multi-year commitment equally divided between economic and military assistance (p.257-58). Separately, the Reagan Administration also provided US\$3 billion dollars to Afghan jihadis. Wright (2011) points out: “These funds [to the Afghan jihadis] went through the sticky hands of the Inter-Services Intelligence (ISI) directorate, the spy branch of the Pakistani Army... the ISI became so glutted with power and money that it formed a ‘state within a state’”.

In February 1989, the Soviets withdrew from Afghanistan, and by November 1989 the Berlin Wall had fallen. Meanwhile, there was growing concern about Pakistan’s development of a nuclear weapon. The Pressler Amendment, passed in 1985, banned US economic and military assistance to Pakistan unless the US President certified on an annual basis that Pakistan did not possess a nuclear device. In 1990, once Pakistan was no longer needed in relation to Afghanistan, the Bush Administration cut off military aid on the grounds that Pakistan had begun to pursue a nuclear weapons program. US\$563 million in economic and military assistance allocated for 1991 was frozen (Kux 2001, p. 308). Aid fell further in 1998 following Pakistan’s testing of a nuclear weapon. Pakistan was judged to have become not only a nuclear power but also a source of regional instability. Under the Clinton Administration, relations remained cool given Pakistan’s refusal to dismantle its nuclear weapons program. Though President Clinton visited Pakistan during his presidency, his visit was short – only five hours. Many Pakistanis were bitter that Clinton spent five days in India during this visit to South Asia. Even today, this is a sore point – with some of the Pakistani elite raising Clinton’s short visit to Pakistan and long visit to India in interviews for this research.

9/11 was even more of a game-changer for US-Pakistan relations than the Soviet invasion of Afghanistan had been. Pakistan-US relations transformed, almost overnight. President Pervez Musharraf recounts, in his 2008 memoir *In the Line of Fire*, his engagement with the United States in the aftermath of 9/11. In his “candid”

phone call with Secretary of State Colin Powell, Musharraf was told: “You are either with us or against us”. Musharraf also relates a discussion with his ISI Director General, who was in Washington at the time of the 9/11 attacks:

He told me over the phone about his meeting with the US Deputy Secretary of State, Richard Armitage. In what has to be the most undiplomatic statement ever made, Armitage added to what Colin Powell had said to me and told the Director General not only that we had to decide whether we were with America or with the terrorists, that if we chose the terrorists, then we should be prepared to be bombed back to the Stone Age. This was a shockingly barefaced threat, but it was obvious that the United States had decided to hit back, and hit back hard (p. 201).

In what was a difficult strategic decision, Pakistan chose to side with the United States. Former Pakistani Ambassador to the United States, Hussain Haqqani, (2013) provides an overview of the considerable debate within the Pakistani military about the extent to which Pakistan should support the US. Haqqani outlines Musharraf’s key reasons for working with the Americans: “He alluded to the US threat and suggested that India would benefit if Pakistan did not cooperate with the Americans and also implied that he would make a sacrifice on the Afghan front to ensure the Kashmir front could remain alive” (p. 311).

However, while Pakistan moved to side with the United States, it was a decision made, and implemented, reluctantly. Haqqani (2013) recounts that the Inter-Services Intelligence agency was not willing to give up on its “decades-long investment in Afghanistan” whatever Musharraf had agreed to. Moreover, while the US wanted to move against al Qaeda *and* the Taliban, and had sided with the Taliban’s opponents, the Northern Alliance in Afghanistan, Pakistan believed that America’s strategic objectives would “best be accomplished by coercing the Taliban to do it [go after al Qaeda] themselves. If the Taliban are eliminated [Pakistan believed], Afghanistan will revert to warlordism” (Haqqani 2013, p. 312). Moreover, and perhaps more importantly, Pakistan was not prepared to abandon the Taliban, its traditional ally, in Afghanistan. Pakistan worried that without the Taliban, Afghanistan would fall under Indian influence. Accordingly, Pakistan continued to pursue its policy of “strategic depth” in Afghanistan. Thus Pakistan began a game of mixed support for US

objectives in Afghanistan, something the US came to find very frustrating. For example, Haqqani (2013) explains that not long after 9/11: “Musharraf replaced Lieutenant General Mamud Ahmed [ISI chief at the time of the 9/11 attacks] with Lieutenant General Ehsan-ul-Haq so as to convince Americans that the ISI would not impede their operations in Afghanistan.” (p. 312). Yet, Haqqani continues, “As the United States commenced bombing Afghanistan, hundreds of Pakistani military advisers and ISI operatives assisting the Taliban were evacuated.” (*ibid*).

While Bush increasingly embraced nation-building in relation to Iraq and Afghanistan, Rashid (2008) argues that this change of heart never really applied to the United States’ engagement with Pakistan, despite the significant uptick in foreign aid.

As noted earlier, when he came to power President Obama was reluctant to use nation-building rhetoric. This was for political reasons, particularly given waning public support for the war in Afghanistan and the mounting cost of US aid being provided to rebuild it. However, it would be a mistake to read into this deliberate choice of language a lack of enthusiasm for nation-building as an activity.

To the contrary, Obama sought to rebalance the relationship with Pakistan away from one focussed on security to one that included a greater focus on the economy, trade and enhancing people-to-people links. In 2009, Obama started increasing economic aid and also appointed a Special Representative for Afghanistan and Pakistan, Ambassador Richard Holbrooke<sup>1</sup>, a strong supporter of nation-building (Nasr 2013, p.79) to broker smoother trilateral relations. Holbrooke’s appointment kicked off a raft of other countries following suit in appointing a Special Representative, including the European Union, Japan and Australia. Like Obama, Holbrooke also saw the benefit in normalising relations with Pakistan through greater economic engagement.

Obama also made several statements that make clear his commitment to nation-building even without using the term. In his 2009 speech on Afghanistan and Pakistan, Obama stated that:

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<sup>1</sup> Holbrooke was Special Representative for Afghanistan and Pakistan up until his sudden death in December 2010.

To avoid the mistakes of the past, we must make clear that our relationship with Pakistan is grounded in support for Pakistan's democratic institutions and the Pakistani people. And to demonstrate through deeds as well as words a commitment that is enduring, we must stand for lasting opportunity. A campaign against extremism will not succeed with bullets or bombs alone. Al Qaeda offers the people of Pakistan nothing but destruction. We stand for something different. So today, I am calling upon Congress to pass a bipartisan bill co-sponsored by John Kerry and Richard Lugar that authorises \$1.5 billion in direct support to the Pakistani people every year over the next five years - resources that will build schools and roads and hospitals, and strengthen Pakistan's democracy.

President Obama was also cognisant of the risk of Afghanistan or Pakistan becoming a failed state. In the same speech quoted above, Obama talked about the importance of capacity building and bolstering Pakistan's democracy – key tenets of any nation-building policy:

We are committed to a partnership with Pakistan that is built on a foundation of mutual interest, mutual respect, and mutual trust. We will strengthen Pakistan's capacity to target those groups that threaten our countries ... [and provide] substantial resources to support Pakistan's democracy and development. We are the largest international supporter for those Pakistanis displaced by the fighting ... [T]he Pakistani people must know America will remain a strong supporter of Pakistan's security and prosperity long after the guns have fallen silent.

At the same time, there were still clear realist objectives. This is from Obama's same speech on Afghanistan and Pakistan:

The American people must understand that this is a down payment on our own future - because the security of America and Pakistan is shared. Pakistan's government must be a stronger partner in destroying these safe havens, and we must isolate al Qaeda from the Pakistani people. And these steps in Pakistan are also indispensable to our efforts in Afghanistan, which will see no end to violence if insurgents move freely back and forth across the border" (Obama 2009).

Other senior officials have also articulated the mix of objectives the US had in relation to Pakistan. In her memoir covering her time as Secretary of State, Hillary Clinton expresses clearly the mix of nation-building and realist objectives the US pursued in Pakistan over this period, as well as the difficulties faced:

As their country's problems worsened, many Pakistanis directed their anger at the United States, fueled by a rambunctious media that trafficked in wild conspiracy theories. They blamed us for stirring up trouble with the Taliban, exploiting Pakistan for our own strategic ends, and showing favoritism toward their traditional rival, India. And those were the most rational claims. In some polls, approval of America fell below 10 per cent, despite the billions of dollars in aid that we had contributed over the years. In fact, a massive new assistance package passed by Congress [the KLB aid package, discussed in the next section] became a lightning rod for criticism in Pakistan because it was seen as having too many strings attached. It was maddening. All the public anger made it harder for the Pakistani government to cooperate with us in counter-terrorism operations and easier for the extremists to find shelter and recruits. I saw my job as pushing Pakistan to be more committed and cooperative in the fight against terrorists and helping its government to strengthen democracy and deliver economic and social reforms that offered citizens a viable alternative to radicalism. I had to pressure and criticise without losing Pakistan's help in the struggle that was critical to both of our futures (2014, p. 186-187).

Overall, it is clear that the United States, especially under the Obama Administration - that is, during the period of research - both wanted Pakistani cooperation in relation to Afghanistan and to countering global terrorism (realist objectives) *and* wanted to strengthen Pakistan's economy and democracy (nation-building objectives). How the US government in practice balanced these two goals is a key focus of this research.

In the decade post-9/11, the US-Pakistan relationship had its tensions and ups and downs, but remained relatively stable. However, in 2011, a large increase in aid in preceding years notwithstanding (see the next sub-section for details), relations ruptured between the two sides as a result of a number of events, including the US

raid that killed Osama bin Laden and the NATO airstrike that accidentally killed 24 Pakistani soldiers. In retaliation for the latter, Pakistan closed NATO supply routes for months. In response, the US withheld aid until the supply lines were eventually reopened. Parallel Gallup polls in the United States and Pakistan following the operation that killed bin Laden demonstrated a wide gap in public opinion between the US and Pakistan on the operation. Two-thirds of Pakistanis condemned the United States' military action, while in the United States there was near universal approval (Ray and Srinivasan 2011).

More broadly, public attitudes towards the United States in Pakistan are very negative. In 2012, around three-in-four Pakistanis (74 per cent) considered the US an enemy, up from 69 per cent in 2011 and 64 per cent in 2009. President Obama is also held in low regard by the Pakistani public. Among the 15 nations surveyed in both 2008 and 2012 by the Pew Global Attitudes Project, Pakistan is the only country where ratings for Obama are no better than the ratings President George W. Bush received during his final year in office (Pew Global Attitudes Survey 2012).

In 2014, as the US commenced its military drawdown in Afghanistan, US-Pakistan relations improved slightly. Washington ratcheted down the public aspects of its engagement with Pakistan, like high-level visits, as other issues in the Middle East drew political attention away from Pakistan.

It is difficult to predict if the rollercoaster of US-Pakistan relations will continue, but history suggests that it will.

## **1.5 United States aid to Pakistan**

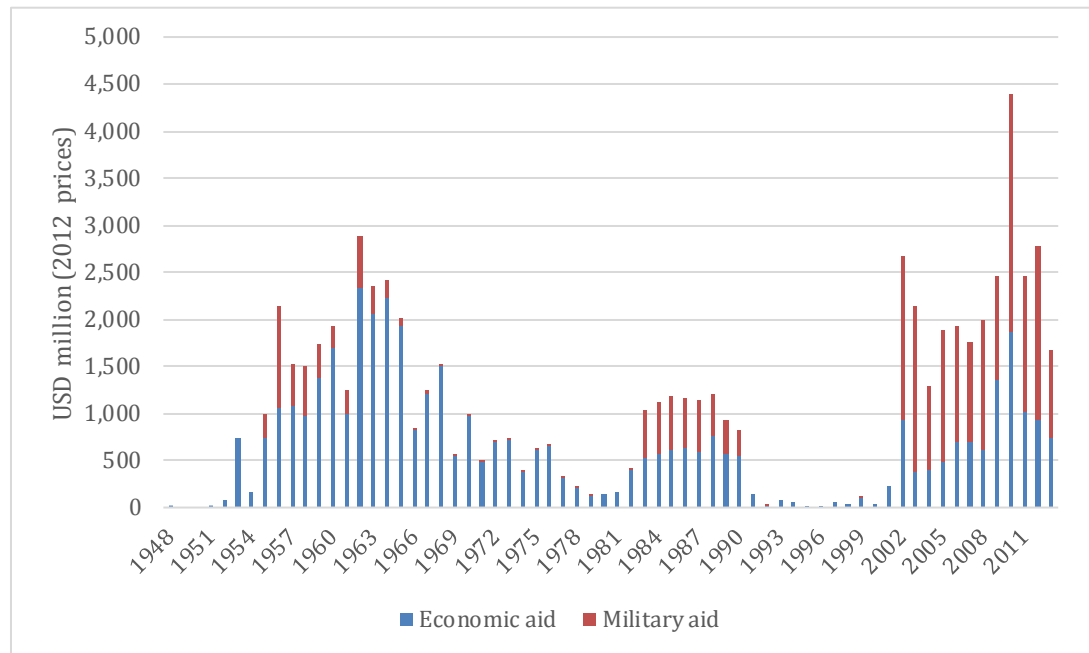
Pakistan has been one of the United States' largest recipients of US military and civilian aid since 1947, receiving over US\$71 billion (in constant 2009 US dollars) in total economic aid, total military aid and coalition support funds over this period, peaking at US\$5.61 billion in 2010.<sup>2</sup> As the previous section made clear, the US-Pakistan aid relationship has always been strongly influenced by the state of the

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<sup>2</sup> Computed using Centre for Global Development Data, 2011.

overall bilateral relationship. Figure 1.1 illustrates the fluctuating nature of US aid to Pakistan between 1951 and 2011.

**Figure 1.1: History of US aid to Pakistan, millions US\$ (in constant 2011 dollars)**



Sources: Centre for Global Development (2012) for data up to 2010. Security Assistance Monitor for data post 2010. Data pre and post 2010 is broadly rather than exactly comparable. CPI data from World Bank (2015) is used to deflate the post-2010 data. (The CGD data is deflated.)

This graph shows three large spikes in aid. In the first, Pakistan became America's Cold War ally, and was rewarded accordingly. The US was keen to show that capitalism can work in Asia, and was attracted to Pakistan especially given India's neutrality and its heavy emphasis on socialism. This period came to an end following the Indo-Pakistani War in 1965. The United States began to lose interest in the subcontinent as pressure to exit Vietnam mounted.

The second spike shows the US response to the Soviet invasion of Afghanistan, with aid petering out when the Soviets withdrew from Afghanistan in 1989.

The third and largest spike of all shows the US response to 9/11, when Pakistan sided with the United States in the war on terror. Post 9/11, economic aid increased almost

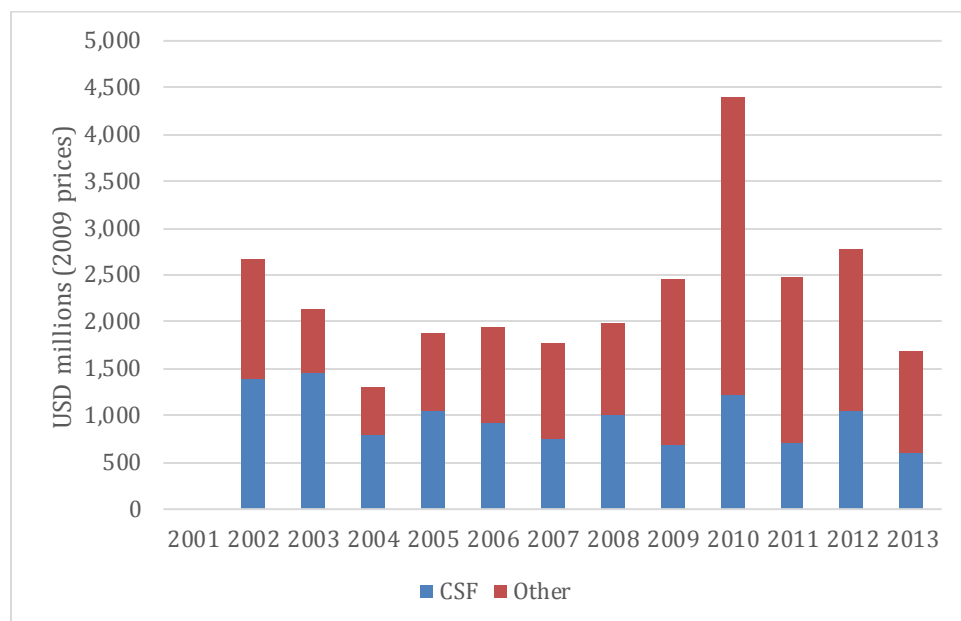
immediately. Schaffer and Schaffer (2011) report economic aid rose overnight as the United States provided US\$500 million from a 9/11 supplemental appropriation to the Pakistan Treasury for balance of payments support (p. 140). Total aid (economic and military) to Pakistan from the US increased almost tenfold from US\$228 million in 2001 to US\$2,677 million in 2002 (Figure 1.1; measured in 2009 prices).

Initially, as Figure 1.1 shows, the emphasis was mainly on military aid. Under Bush, between 2002 and 2008, the US gave Pakistan US\$13.7 billion in total aid (in 2009 prices). 70 per cent of this was military aid. Over the next five years, under Obama, the US gave Pakistan US\$14.2 billion, but the proportion of military aid fell to 57 per cent. Military aid in fact fell slightly over the two periods from US\$9.5 billion to US\$8.2 billion, but civilian aid increased by 50 per cent from US\$4.2 billion to US\$6.1 billion.

Of the military aid about 40 per cent in the post 9/11 period was provided as Coalition Support Funds (CSF), a type of budgetary support. The CSF was a Bush Administration initiative intended as reimbursement for costs incurred in the war on terror (Figure 1.2). Epstein and Kronstadt (2013) report that according to the US Department of Defence the CSF reimbursements have been used by the Pakistan military to support Pakistani military operations, including keeping more than 100,000 Pakistani troops in northwest Pakistan, by paying for their food, ammunition, clothing and housing. About US\$11.8 billion has been provided to Pakistan as CSF since 2002 and another US\$16.1 billion as other military assistance (including training and hardware). Putting these figures into perspective, this security assistance equates to between one-fifth and one-quarter of Pakistan's total military expenditure during this period (p.17).



**Figure 1.2 Total US military aid to Pakistan (1999-2010) – constant USD millions (2009 prices)**



Sources: Centre for Global Development (2012) for data up to 2010. Security Assistance Monitor for data post 2010. Data pre and post 2010 is broadly rather than exactly comparable. CPI data from World Bank (2015) is used to deflate the post-2010 data. (The CGD data is deflated.)

In addition to military aid, the United States also provides other security-related programs aimed at improving Pakistan’s counterterrorism efforts. For example, the United States has built roads in the terrorism-affected regions of Khyber Pakhtunkhwa and the Federally Administered Tribal Areas (FATA). Training programs have focused on counterterrorism and enhancing the professionalism of Pakistan’s military. Between 2001 and 2013 over 2000 Pakistani military officers undertook US-funded training (ibid, p. 22).

Economic aid increased after the US Congress passed and the President signed the Enhanced Partnership with Pakistan Act in 2009. The Act was sponsored by Senators John Kerry (Democrat) and Richard Lugar (Republican) and Congressman Howard Berman (Democrat) (hence the reference to it as the Kerry Lugar Berman (KLB) Bill) and was passed with strong bipartisan support. It provided for US\$1.5 billion annually for five years from 2010 to 2015 for civilian aid, with provision for a second five year funding period. Secretary of State, Hillary Clinton, described the KLB aid package as a demonstration of American “goodwill towards

the people of Pakistan” (Clinton, in Landler, 2009). Two of the authors of the bill speak clearly about its nation-building intent, with their aim being to establish a “foundation for strengthened partnership between the United States and Pakistan, based on a shared commitment to improving the living standards of the people of Pakistan through strengthening democracy and the rule of law, sustainable economic development, and combating terrorism and extremism” (Kerry and Lugar in Markey 2015, p. 222). These assessments are borne out by the five objectives for assistance given in the Act: “(1) to support the consolidation of democratic institutions, (2) to support the expansion of the rule of law... (3) to promote economic freedoms and sustainable economic development, (4) to support investment in people..., and (5) to strengthen public diplomacy” (see Section 101 (a) of the Enhanced Partnership with Pakistan Act).

While the civilian aid might have been intended to improve goodwill, the Act also lay down a number of conditions for non-civilian assistance. This rankled Pakistan and left many in Pakistan against the aid package before even one dollar had been delivered (The Nation 2009). Moreover, even though KLB did not place conditions in annual appropriation bills, getting the bills through Congress often saw conditions tacked on (Bennett-Jones 2011). In 2012, for example, economic assistance and most forms of military assistance to Pakistan required certification from the Obama Administration that Pakistan was cooperating on:

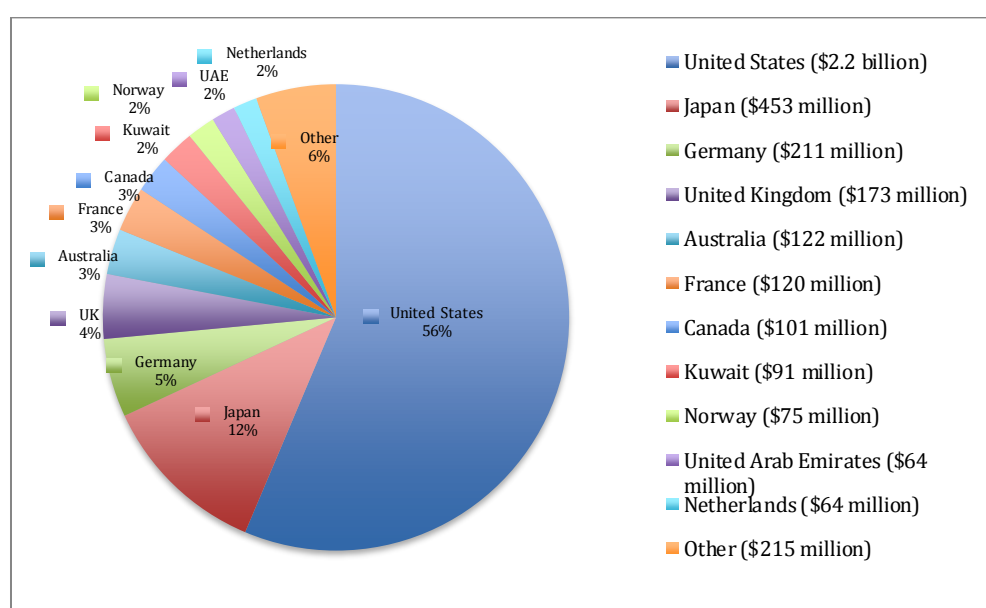
Nuclear non-proliferation; investigations into Osama bin Laden’s presence in Pakistan; efforts to counter the proliferation of improvised explosive devices; the provision of visas for US visitors ‘engaged in counterterrorism efforts and training’; and in operations against al Qaeda, the Taliban, the Haqqani network, and Lashkar-e-Taiba, among other groups (Cookman and French 2011, p. 8-9).

Moreover, even with strong authorising language, it was up to the administration to request the funds and up to the Congressional appropriations committees to approve those requests. According to Epstein and Kronstadt (2013), in only one of the first four years of KLB’s five-year authorisation period (2009 to 2013) did the final appropriation for US economic-related aid to Pakistan meet or exceed the average envisaged annual authorisation of \$1.5 billion. Overall, civilian aid did significantly

increase following KLB, reaching almost US\$2 billion in 2010. However, this was not sustained, and civilian aid had been reduced to under \$US1 billion by 2013 (Figure 1.1). Getting money out the door was partly a US systems problem, but also partly due to the capacity of the Pakistani Government to absorb the large amounts of aid coming from both bilateral and multilateral donors.

The United States is by far the largest bilateral donor to Pakistan. Figure 1.3 below shows the breakdown of Official Development Assistance (ODA) to Pakistan, in 2010. In 2010, the United States provided over half of all bilateral aid to Pakistan (56.3 per cent). The other major bilateral donors to Pakistan in 2010 were Japan (11.7 per cent), Germany (5.5 per cent), United Kingdom (4.5 per cent), Australia (3.1 per cent) and the United Arab Emirates (1.7 per cent).

**Figure 1.3: Official Development Assistance to Pakistan – by Donor  
2010 – current USD millions**



Source: Compiled using Organisation for Economic Cooperation and Development data.

China is also a significant aid donor to Pakistan. It is difficult to calculate the size of the Chinese aid program in Pakistan given the lack of available data. However, recent announcements give some insight into the size and reach of Chinese aid and investment. For example, during President Xi Jinping's visit to Islamabad in April 2015, he announced US\$46 billion in infrastructure aid with most projects in the energy and transport sector. The package will focus on the proposed China-Pakistan

economic corridor, which stretches 3000km from Kashgar in Western China to Gwadar, a Pakistani port city near its border with Iran.

Epstein and Kronstadt (2013) report that of the \$US5.1 billion in total economic aid committed to Pakistan in 2010, 24 per cent was from multilateral donors and 76 per cent was from bilateral donors. The International Financial Institutions have large programs in Pakistan. In 2010, US\$430 million was provided by the World Bank's International Development Association, US\$270 million from European Union Institutions and US\$290 million from the Asian Development Fund (Epstein and Kronstadt 2013).

Pakistan also has a long-standing relationship with the International Monetary Fund (IMF) and has been party to 21 IMF agreements since 1958, with the last agreement in 2008 expiring in 2011 (IMF 2015). This is a significant number of agreements compared to other countries in the region. For example, since 1998 India has signed one facility with the IMF and Bangladesh has signed three. Pakistan, by contrast, has signed 12 agreements, more than all of the countries in the region combined (Husain 2015). As discussed in Chapter 5, these IMF programs have had a disappointing record.

Data on military assistance to Pakistan in the post-9/11 era from countries other than the US are not publically available. In addition to the United States, China, Russia and Saudi Arabia also have substantial military assistance programs to Pakistan.

## **1.6 Conclusion**

This context-setting chapter has introduced the dual nation-building and realist aid objectives, with special reference to US aid. It also provided a brief history of Pakistan, of US-Pakistan relations and of US aid to Pakistan. How the multiple goals of US aid – the many questions that Professor Robert Lieber of Georgetown University asks in the quote which opens this chapter and which aid is called on to answer – played out in the complex Pakistani environment and within the volatile US-Pakistan relationship is the central interest of this thesis. The next chapter provides an overall literature review of areas relevant to this research, and highlights the gaps in

that literature, which this thesis aims to fill. It also provides the research questions of the thesis, and its methodology. Chapters 3 to 7 provide the key results from my research. Chapter 8 concludes.

## **Chapter Two: Literature review, research questions and method**

## 2.1 Introduction

As set out in Chapter 1, the focus of this thesis is how nation-building and realist (or direct and indirect, or short-term and long-term) objectives have played out in US aid to Pakistan in the post 9/11 era. Chapter 1 provided necessary context in the form of a brief history of Pakistan and American-Pakistan relations and aid, and an overview of the role of these two goals in American foreign and aid policy. This chapter completes the introduction to the thesis by undertaking a literature review, identifying the gaps in the literature, formally posing the research questions, and outlining the methodology pursued.

A number of literatures are relevant to this thesis. Studies of Pakistan, particularly the literature on Pakistan-US relations, provide an important foundation, and are summarised in Section 2.2. So too does the literature on the objectives of aid, which is reviewed in Section 2.3. Two other literatures are also important for this thesis. The first is the literature on aid conditionality and leverage, since there is evidence that aid conditionality for nation-building purposes can be undermined by realist objectives (Section 2.4). The other is the literature on winning “hearts and minds”, which is an endeavor that can be directed towards either nation-building or realist ends (Section 2.5). In all of these cases I am particularly interested in pre-9/11 writings, particularly with regard to the Cold War, as one of the arguments of the thesis is that history can illuminate how aid has played out in the post 9/11 era.

After the four literature review sections, which also highlight the limitations of existing studies, this chapter summarises the research gaps and questions which this thesis will address (Section 2.6). Section 2.7 sets out the interview-based research method and Section 2.8 concludes and outlines the structure of the remainder of the thesis.

## 2.2 Pakistan studies

In the post-9/11 period, there has been a renewed interest in Pakistan both because of its proximity to Afghanistan and in relation to its own internal political, economic, social and security problems. Numerous books have been written in recent years on

Pakistan examining its challenges in both historical and contemporary contexts (Lieven 2011; Cohen 2006 and 2011; Talbot 2010; Nawaz 2009; Gul 2010; Lodhi 2011). Much of the literature focuses on individual issues, such as Pakistan's security challenges (Weaver 2010; Siddiqi 2007) or contemporary economic and social challenges (Inskeep 2012; Hathaway and Kugelman 2010; Kugelman 2013). There has also been a surge of literature on Pakistan's terrorism and militancy challenges (Bennett-Jones 2003; Riedel 2008, 2012; Fair 2009b, 2010, 2011; Hussain, Z 2008, Hussain, T 2010) and its geopolitical role in a post-9/11 world (Burke 2011; Bergen 2011, 2013; Rohde 2013; Nasr 2013).

There has been relatively little written on US-Pakistan relations. Pre-9/11, Kux (2001) provides the most comprehensive overview of Pakistan-US relations between 1947-2000, with a detailed examination of relations under each US administration, from Truman to Clinton. Goldberg and Ambinder (2011), Riedel (2012), Schaffer and Schaffer (2011), Samad (2011), Butt and Schofield (2012), Markey (2013), Haqqani (2013) and Gall (2014) describe the key themes, complexities and ambiguities in US-Pakistan relations in the post 9/11 period. A number of these authors also present their policy recommendations for the US-Pakistan relationship. As discussed in Chapter 7, several argue for a greater emphasis on nation-building.

The literature focusing specifically on aid in the US-Pakistan context is smaller still, and consists of reports by think tanks and official institutions. Writing for the Congressional Research Service, Epstein and Kronstadt (2013) describe US assistance to Pakistan, looking at both civilian and military assistance. This report illustrates the state of play of US aid to Pakistan, as well as issues that are important for the US Congress, including aid conditionality, security and aid delivery, and aid branding and public diplomacy. The Woodrow Wilson Centre (2011) provides recommendations on how the US can get the most out of its aid relationship with Pakistan, including through establishing benchmarks and third-party evaluations. Though it purports to examine aid 'from both sides' it is heavily US-centric in its analysis and the report contains only a small section on what Pakistanis (from a very small focus group within the elite) want from US aid (p. 32-33). At the Centre for Global Development, Birdsall and Elhai (2011) focus on how to improve the delivery of the US aid program in Pakistan and recommends the US refocus its efforts in Pakistan on trade and



increased incentives for investment. Within this small literature, there is surprisingly little or no analysis on the relative importance of different objectives of US aid to Pakistan, and possible trade-offs between these.

### **2.3 Motivations for and objectives of aid**

The literature on motivations for giving and the objectives of aid is large. The majority of studies use quantitative analysis, but there is also a qualitative literature. An overview of this literature is provided below.

Maizels and Nissanke (1984), World Bank (1998), Berthelemy and Tichit (2004), and Fleck and Kilby (2010) all find aid to be motivated by two prime objectives: promoting long-term growth and poverty reduction, and promoting the political, strategic and commercial interests of donors. Dollar and Pritchett (1998) argue that the strategic interests of donors and their total aid allocations favour former colonies and political allies over open economies and democracies. This is consistent with the findings of other empirical studies that show that donors disburse aid based on strategic considerations, rather than or as well as the needs of the receiving countries (see McKinley and Little 1977; Alesina and Dollar 1998; Boschini and Olofgard 2001; Dreher and Jensen 2003; Goldstein and Moss 2003; Neumayer 2011; Fleck and Kilby 2006, 2010; Dreher, Nunnenkamp and Thiele 2008).

Turning specifically to US aid, Maizels and Nissanke (1984) find bilateral aid allocations are broadly made in support of donors' perceived foreign, economic, political and security interests. Their study singles out the United States as using bilateral aid more openly than others as an instrument of foreign policy. This reaffirms the findings from McKinlay and Little's (1977) analysis of the United States' bilateral aid program which finds that aid is allocated to reward states for pursuing policies favourable to the donor and denied to states pursuing policies detrimental to the donor. Schraeder, Hook and Taylor (1998) argue that US aid during the Cold War was targeted towards capitalist regimes willing to support Washington's containment policy.

The relationship between security interests and aid is also examined by Boschini and Olofsgard (2007), who analyse the decline of aid during the 1990s. They focus on the impact of the end of the Cold War on aid disbursements and find that the end of the Cold War led to Western donor's cutting aid budgets because the most important motivation for aid disbursements – containing communism – disappeared.

In one of a handful of studies examining the use of aid in the post 9/11 period, Fleck and Kilby (2010) assert that post 9/11, the strategic objectives of aid have been given more weight: “For the 35 years preceding the War on Terror, there was a clear upward trend in the weight given to need in the allocation of aid to core recipients. In the years since, the weight given to need has decreased rapidly and steadily” (p.195).

There are also a number of qualitative studies of aid motivation. Van der Veen (2011), working on four European countries, identifies nine “frames” which can motivate the giving of aid and which can influence its size and nature. These are: enlightened or indirect self-interest, humanitarianism, power and influence, obligation and duty, security, self-affirmation and prestige, and wealth and commercial interests.

Lancaster (2006) also takes a case study approach and examines the donor practices of the United States, Japan, France, Germany and Denmark. She finds aid-giving practices are heavily influenced by domestic politics and used to achieve a mixture of different goals. Her political analysis of US aid in the second half of the twentieth century finds “an enduring dualism in aid’s purposes” (p.107), with an ongoing struggle between development and diplomatic interests over the purpose of aid. On the one hand, domestic political support in the United States for foreign aid appears to be strengthening with the “growing engagement of the evangelical movement in development and related activities abroad”. On the other hand, the war on terror has “elevated the prominence of diplomatic purposes in aid giving” (p.62). Lancaster highlights that “tensions between these two purposes of US aid seem set to continue in the twenty-first century” (ibid).

This tension is similar to the one this thesis is concerned with. But note that Lancaster is interested only in the weight accorded to these tensions in policy formulation, as a result of contending domestic forces. Her analysis does not extend

to how these contending forces play out on the ground. Also, as noted earlier, a diplomatic motivation for aid may still extend to support for nation-building, if this is viewed as important for strategic reasons.

Whereas the motivations of aid are the reasons donors give aid, the objectives are what aid is meant to achieve. The two concepts are related but distinct. The exploration of aid objectives that is closest to this thesis is Seitz (2012). As summarised in Chapter 1, Seitz provides a comprehensive overview of the role of aid nation-building and realist objectives during the Eisenhower, Kennedy and Johnson Administrations, showing how the relative importance of these two objectives waxed and waned during the period under consideration. Overall, he argues “nation-building was a fundamental, if understated, element of containment from the earliest years of the Cold War and indeed, through most of the twentieth century” (p.4).

Burnett (1992) studies the role of economic and military assistance in winning the Cold War. Like many authors writing immediately post-Cold War, Burnett argued that policymakers were unlikely to see a similar political-security-aid nexus emerge again:

The political reality is that political and security purposes were often advanced as the reasons for economic assistance packages, especially if a credible link to the Cold War offered itself. The fact that nothing as compelling as the Cold War is likely to replace it raises legitimate concerns about the future of appropriations for foreign economic assistance coming from legislatures with the twin dogs of constituency politics and budget deficits snarling at their heels (p. 4).

In fact, the war on terror arguably replaced the Cold War and became the new “compelling” theatre in which foreign aid was used to advance political and security purposes.

Burnett also focuses on the loss of leverage which realist objectives can give rise to. Several other authors also address this phenomenon, and it is discussed separately in the next section. Burnett also argues that having multiple goals is itself a problem and that, specifically with reference to Pakistan (during the Cold War): “The tension

between long-term goals (economic self-sufficiency, democracy, social reform) and short-term Cold War goals in Pakistan became a serious drawback” (p. 9).

There is a large literature on nation-building in the post 9/11 period, largely focused on Iraq and Afghanistan (Dempsey 2002; Ottoway 2002; Dobbins et al. 2003; Dobbins 2003, 2005; Feldman 2004; Cooley 2005; Fukuyama 2004, 2006; Berger 2006; Berger and Weber 2006; Grandin 2006). Overall, this literature gives a negative assessment on the efficacy of recent nation-building efforts.

One of the problems the literature highlights is the difficulty of promoting development and combatting insecurity at the same time (Fukuyama 2006, Introduction). This goes back to the Cold War. Seitz writes that programs to combat security threats “tend to be heavy-handed, short-term in nature and prone to create the types of violent upheaval that undermines economic and political development projects, ultimately threatening recipient stability” (2012, p. 145-6).

While the above finding is relevant for this thesis, the post-9/11 nation-building literature does not, however, extend to a more general consideration of the relative importance of, or trade-offs between realist and nation-building goals. No doubt, this is because the focus of the recent literature is on Afghanistan and Iraq. In these two countries, after the initial military operation, the primary aim became nation-building. There were trade-offs in each of these countries between short-term internal security and long-term development goals, and this has been analysed in the literature, but the US did not have other foreign policy goals in relation to these two countries. Pakistan is quite a different case. As noted in Chapter 1, the US has had important realist objectives in relation to Pakistan – primarily, to alter its behavior towards Afghanistan – which have been quite separate from its nation-building ones. How these have played out is the primary interest of the thesis.

## **2.4 Aid conditionality and leverage**

Conditionality has been a central feature of aid for many years. In the 1980s and 1990s, conditionality became more prominent because of the shift from project to

program aid (Collier et al., 1997, p. 1399). Much of the literature on conditionality is critical and argues that donor leverage is rarely sufficient to encourage recipient governments to undertake and sustain reforms that are not indigenously supported (see Collier et al. 1997; World Bank 1998; Morrissey 2004). Evidence of the leverage provided by military aid is mixed (Bapat 2011, Sullivan, Tessman and Li 2011).

Apart from the fact that reforms are largely the outcome of domestic political processes over which donors have limited influence, there are two additional reasons why conditionality may fail. First, with aid comes moral hazard whereby donors are under pressure to disburse aid, and reluctant to hold back funds (Svensson 2000). Second, strategic pressures mean that donors may at times have their hands tied (Fearon 1997).

Sietz (2012) examines US aid's loss of leverage during the Cold War (since it gave aid to support its allies), and argues: "As recipients of US security assistance recognised Washington's objectives and the importance of these objectives, threats to suspend aid lost much of their credibility. Washington lost leverage in these relationships even as recipients gained it" (p. 151).

Burnett (1992) is probably the author who has examined this issue in the most detail. He takes a case study approach and examines the US aid program to several countries during the Cold War era, including Pakistan. He likens the influence of aid to the flow of water through a spigot or tap:

The effectiveness of US influence over recipient country action is in inverse proportion to the perceived importance that Washington attaches to the relationship. If the receiving country believes that the *spigot* is frozen in the open position, that for reasons of strategic necessity or domestic politics it is not feasible for Washington to close the spigot, the influence the US derives from the aid sinks close to zero (p. 5).

The more recent literature argues that, after the Cold War ended, aid conditionality may have become more credible as donors moved away from pure geopolitical objectives, but perhaps not for long. Dunning (2004) finds donors' geopolitical

objectives during the Cold War diminished the credibility of threats to condition aid on the adoption of democratic reforms in sub-Saharan Africa. However, he finds that the end of the Cold War enhanced the effectiveness of Western donor conditionality.

Bearce and Tirone (2010) find that because aid from Western countries was driven by strategic factors during the Cold War era, it is only positively associated with economic reform after the end of the Cold War (i.e. post-1990), when Western governments could more credibly threaten to curtail aid when reform was lagging.

When examining the current set of global conditions, Bearce and Tirone argue:

As foreign aid once again becomes more useful for military-strategic purposes, it becomes less effective at promoting economic growth and development. Similarly, if foreign aid is to be effective at promoting growth and development in poorer regions of the globe, Western governments cannot also use it as an instrument to recruit and retain allies in the war on terror (p.849).

My Pakistan case study provides an excellent opportunity for a test of these propositions.

## **2.5 Winning hearts and minds through foreign aid**

Aid donors are eager to develop positive images of themselves among aid recipient populations because positive perceptions can be built upon to achieve a range of foreign policy objectives (Goldsmith and Horiuchi 2012; Nye 2005). The literature on foreign aid and public opinion is small. A few studies have been conducted into attitudes towards aid in recipient countries (Goldsmith, Horiuchi and Wood 2014; Milner 2006; Milner and Tingley 2013a; Milner and Tingley 2011; Paxton and Knack 2012; Stern 1998; Wike 2012). For example, Milner, Nielson and Findley (2012), survey public opinion in Uganda, finding recipients to be very strong supporters of development aid, expressing some preference for multilateral assistance to bilateral aid.

A related literature is that on winning hearts and minds. This literature spans many decades and encompasses many different actors and environments – from Malaya in

the late 1940s to Afghanistan today (see Galula 1996; Berman, Shapiro and Felter 2011).

The concept of winning hearts and minds in conflict zones is often attributed to the British administrator Lt. Gen. Sir Gerald Templer, who served during part of the 1948-60 Malayan Emergency, and argued in 1952 that “the answer lies not in pouring more troops into the jungle, but in the hearts and minds of the people” (Fitzsimmons, 2008).

Pre 9/11, hearts and minds campaigns centred on influencing populations that the US saw as vulnerable to communist ideology. Nagl (2005) argues that the US campaign in Vietnam did not work because the US Army adopted a strategy that was too militarily focused, therefore ultimately fighting the wrong (conventional) war, rather than trying to win over the population. He contrasts US efforts in Vietnam unfavourably with UK efforts in Malaya, which he argues had a greater deal of success.

Post 9/11, campaigns have been heavily geared towards reducing the influence of militancy and the reach of Islamist terrorism, particularly in Iraq and Afghanistan, and more recently in Pakistan. Success has been limited at best. Kilcullen (2010) argues that since 9/11 the world has witnessed a “globalised insurgency”. Such a campaign is, he argues, “not susceptible to traditional locally tailored hearts and minds activities, and the difficulty in achieving message unity undercuts such attempts” (p. 13-14).

Empirical tests of the success of hearts and minds campaigns deliver mixed results. Beath et al. (2014) examine the United States’ use of development aid as a counterinsurgency tool through surveying villagers in ten districts in Afghanistan. The study finds that development programs led both to a improved perceptions of economic well-being and better attitudes toward government, as well as improved perceptions of security.

In contrast, the Feinstein Centre at Tufts University conducted a multi-author study of the effectiveness of a hearts and minds strategy across five Afghan provinces: Balkh,

Faryab, Helmand, Paktia and Uruzgan (Fishstein 2010, 2012; Fishstein and Wilder 2012; Gordon 2011). Perceptions of aid were generally negative. For example, in a study of Faryab province, Gompelman (2011) finds perceptions of aid donors are “markedly negative”. Perceptions of government are negative also, with legitimacy being influenced by the negative reputation and capacities of the top layer of government rather than by aid projects.

There is small literature on Pakistani public perceptions of aid. Kinder (2010) at the Centre for Global Development has conducted research on public opinion of US aid in Pakistan and argues that the more the US seeks out a public relations boost from its aid, the less likely it is that this will materialise. In other words, more the US tries to take credit for its aid and aims to improve its image, the less genuine its motivation will be perceived.

Focusing on the impact of humanitarian aid, Andrabi and Das (2005) and Wilder (2010) examine the effects of US aid upon mass Pakistani public opinion following the 2005 earthquake in Kashmir. Andrabi and Das provide a compelling case that trust in foreigners is malleable, responds to humanitarian actions by foreigners and is not a deep-rooted function of local preferences. Wilder finds that aid was used to win “hearts and minds”, but that this aid, while effective in achieving humanitarian outcomes, was ineffective in improving Pakistani perceptions of the United States in the long-run.

All of these studies are about winning hearts and minds at the mass public level. They are in the nation-building tradition, where the aim is to fundamentally alter the outlook and attitudes of the nation. There is a much smaller literature about hearts and minds at the elite level. Yet, for realist objectives, it is elite hearts and minds that matter. As Banfield argues:

The public opinion of an underdeveloped country does not include the opinion of the peasants, who in most places are the vast majority. If our grain prevents the peasant from starving, he may be grateful, but his gratitude has no effect upon the policy of his country because politically he does not exist. Those who *do* make a difference are the people of the cities, especially the primate cities, and, above all, the small group which rules. (1963, p. 28)



The implicit argument here is that, if you are using aid for a *quid pro quo*, you will be concerned not the masses, but the elite, to get what you want. This question of whose hearts and minds are being targeted by donors – the elite or the masses – is yet to be explored by the literature, but is a focus of this study.

Another gap in the literature is whether Burnett's argument, outlined in Section 2.4, that the influence of US aid over a recipient country diminishes the more importance that the US attaches to the relationship also applies to the donor country's ability to win hearts and minds in an aid recipient country. It is plausible that if aid is given to achieve realist objectives, then it will be seen as a price paid for those objectives rather than a gesture of good will.

## 2.6 Research gaps and questions

The gaps in the above literature can be simply summarised. There is little analysis of American aid to Pakistan, especially in recent years, and especially drawing on Pakistani views. There is little analysis of the trade-off between nation-building and realist goals in the post-Cold War era, including specifically of the weights given to these two goals, whether the pursuit of realist goals has undermined the efficacy of conditionality and hearts and minds campaigns and whether the goal of winning hearts and minds has been directed to realist or nation-building ends.

To address these gaps in the literature, the research seeks to answer the following broad question:

In its interactions with Pakistan post 9/11, and especially from 2010 onwards, what weight has the United States placed on the nation-building and realist objectives of its aid program, and has there been a trade-off between the pursuit of these two objectives?

I utilise three tests to answer this question. First, I examine the alignment between perceptions of Pakistan's *challenges* and perceptions of what the United States *wants* most from its engagement with Pakistan. If these are aligned that provides clear evidence that nation-building objectives dominate in US aid to Pakistan: that the US

is focusing its efforts on what Pakistan needs. However, if there is a misalignment between the two, then this may be evidence that the US is giving more weight to its realist objectives.

Second, I examine the leverage of aid. Following the literature discussed in Section 2.4, if realist goals dominate so that the US is principally interested in advancing its realist goals, then conditionality in relation to economic reforms should be ineffective: i.e. the “spigot is frozen” in the words of Burnett. Either aid is unable to achieve any leverage, or if it is able to, it should be in relation to realist rather than nation-building goals.

Third, I examine the United States’ pursuit of winning hearts and minds in Pakistan. If the United States is trying to win over the elite in Pakistan, then this is evidence that realist objectives dominate. However, if the US is trying to win over the masses, then, following the discussion in Section 2.5, this is a sign that nation-building goals are more important. I also investigate whether realist objectives undermine hearts and minds objectives, as it is argued they do in relation to leverage.

These three tests or topics should all help us address the issue of the relative importance of nation-building and realist objectives in relation to US policy in Pakistan, or, put differently, to assess the pivot under the Obama Administration to give greater weight to nation-building. I conclude the thesis with a fourth, which goes to the question not of what the balance between these two objectives is, but what it ought to be. Should the US emphasise nation-building more?

These four topics provide the organising structure for my thesis: the first is examined over two chapters (Chapter 3 on Pakistani needs and Chapter 4 on US wants); the second in Chapters 5 (on leverage) and the third in Chapter 6 (on hearts and minds). Chapter 7 turns to the future – and assesses the support for a greater emphasis on nation-building.

All of these results chapters explore the differences and similarities in views of an aid donor and aid recipient, comparative research that is lacking in the literature, as noted earlier in this chapter.

The answers to these questions are developed primarily on the basis of information about elite perceptions, garnered during interviews. How I went about this, and the strengths and weaknesses of a perceptions-based approach are discussed in the next section.

## 2.7 Methodology

As noted above, the research presented in this thesis takes a case-study approach and is based primarily on elite perceptions, supplemented by external information. The literature is divided on the utility of case-study methods in social science research. Some social scientists consider studies of one or a few cases to be methodologically weak because data is not randomised and partial correlations are not feasible given the low number of data points (Lijphart 1973, Smelser 1973). However, others argue strongly in favour of case-study research. Van Evera (1997) argues case-study methods can offset these weaknesses because: “tests performed with case studies are often strong, because the predictions tested are quite unique (these predictions are not made by other known theories). Specifically, case-studies allow the test of predictions about the private speech of policy actors” (p. 54). King, Keohane and Verba (1994) consider case-studies to be “essential for description and therefore fundamental to social science” (p. 44). Case-studies seem particularly well suited to the study of aid. Riddell (2007) notes that “the influence and impact of aid is predominantly dependent upon, and determined by, a range of country specific variables” (p.225). The diversity of the variables impacting the influence of aid, including political and security influences, make the application of a case-study approach particularly well suited to this research.

Perceptions, and the assumptions underlying perceptions, are critical variables in evaluating our understanding of foreign policy. Speigel (1985) argues that perceptions of leaders are the most important variable in foreign policy decision-making. Perceptions, as they relate to foreign policy, can cover a broad spectrum of issues, for example perceptions of one’s own policy, perceptions of bilateral and multilateral partners or perceptions of geopolitical issues.

As discussed in Section 2.5, there is a growing literature on the utility of considering perceptions in foreign policy analysis (see Mueller 1971; Page and Shapiro 1983, 1987; Maggiotto and Wittkopf 1986; Holsti 1992; Baum 2004; Baum and Potter 2008; Milner and Tingley 2013b). This research uses Herrmann's (1986) definition of perceptions in relation to foreign policy as: "the construction of reality in which an individual makes foreign policy decisions". Fiske and Taylor (1984) find that: "People simplify reality, they do so in part by interpreting specific instances in light of the general case" (p. 141). Although foreign policy analysis increasingly involves the examination of perceptions, the literature rarely compares perceptions of different foreign policy actors on the same issue. In the case of the Pakistan-US bilateral relationship, an analysis of each country's perceptions of foreign policy, in particular foreign aid policy, has not yet been examined.

Given that perceptions involve a construction of reality, to what extent can they be used to get at answers to questions which go beyond perceptions, as the questions this thesis asks do? There is a large literature on the utility of interviewing elite on public policy issues to inform debate (Bottomore 1964; Page, Shapiro and Dempsey 1987; Zaller 1992; Lerner, Nagai and Rothman 1996; Richards 1996; Foyle 1997; Domhoff 2002). For the overall thesis question, and the three specific questions, information on perceptions is likely to be highly useful. While I also consider external information, I argue that the perceptions of the elite shine important light on the questions we ask, and that, for the research questions, there is often little other information on which to base a judgment.

That said, most of the thesis' analysis is in fact devoted simply to understanding consensus positions and differences within and between the two elites. In presenting my conclusions, I distinguish between those which summarise the views of the two groups, and those that use these findings to address the research questions raised. (The concluding chapter in particular is structured along these lines: see Section 8.2.)

The following sub-sections detail the elite interviews (Section 2.7.1) I undertook with both Pakistani (2.7.2) and US (2.7.3) research informants. Section 2.7.4 explains the approach taken to analysing the interviews.

### *2.7.1 Elite interviews*

Interviews with both the Pakistani and US respondents followed an open-ended interview format, with a loose structure around a number of key questions. This methodology has a number of advantages, such as allowing the exploration of complex subject matter and ensuring as much information between the Pakistani and US elite was collected given each was a one-off interview. As noted by Aberbach and Rockman (2002), there are three major considerations in deciding on a mainly open-ended approach rather than close-ended questions. First, the more that is known, the easier it is to define the questions and the response options, that is to use close-ended questions. This study explores a set of complex, interconnected issues in an under-studied field, therefore is better suited to the greater flexibility that open-ended questioning allows. Second, open-ended questions maximise response validity, providing “a greater opportunity for respondents to organise their answers within their own frameworks.” This increases the validity of responses and is best for the exploratory and in-depth nature of this research. The third consideration is the “receptivity” of respondents: “Elites especially – but other highly educated people as well – do not like being put in the straightjacket of close-ended questions. They prefer to articulate their views explaining why they think what they think” (2002, p. 674).

General questions were asked first, followed by more sensitive questions in order to build rapport with the interview respondent (Leech 2002, p.666). While conducting research in Pakistan, the Australia-Pakistan cricket rivalry was often an ice-breaker, whereas in the US, respondents were interested in what it was like to live in (rather than simply visit) Pakistan. The time taken for each interview ranged from 25 minutes to 80 minutes. Most interviews were recorded and transcribed (those where only hand-written notes were taken are noted in Annex 2.3).

A list of 12 key questions was used for Pakistani informants and 13 for US informants. See Annex 2.1 (Pakistan) and Annex 2.2 (US) for a list of key interview questions. Note that the order in the Annexes is not necessarily the order in which the questions were asked. There were about four questions on the issue of Pakistani challenges and American wants; three to four questions on leverage and conditionality; and four questions on hearts and minds. In general, the same questions were asked of both set of respondents (though see the qualification below), but in a few cases different questions or wordings were used when it was felt more appropriate. For detailed discussion of specific questions, see the relevant results chapters. Not all respondents were asked all questions. As noted by Aberbach, Chesney and Rockman, it is impossible for the interviewer to know in advance how “garrulous a respondent will be or how literally he will take the time estimates for the interview communicated to him” (1975, p. 9). As a result, the rate of response to some questions is considerably lower than others. In instances where not much time was given for the interview (in some cases, less than 30 minutes), a number of questions were skipped depending on the interviewees subject area expertise. For instance, when interviewing US foreign policy scholars, less time was spent on specific aid questions and more time on US foreign policy in Pakistan.

The United States fieldwork was conducted in March 2012. 38 of the US policy elite with expertise on Pakistan or US foreign policy were interviewed in Washington DC and New York. Between October 2011 and October 2013, 40 of the Pakistani elite were interviewed in Islamabad, Lahore and Karachi.

Following interviews in the United States, I realised that it would be interesting to get the views of both the US and the Pakistani elite on the same set of issues. This was not my original intent, and so necessitated a slight change to some of the Pakistani interview questions, to mirror more closely the questions asked in the United States. 11 Pakistani interviews had already been conducted prior to the commencement of the US interviews. To fill the gaps, attempts were made to ask follow up questions via email of these first 11 interview respondents, but only two provided written responses to the set of follow up questions. This change in interview questions accounts for slightly different sample sizes reported in the various results chapters. This impacted upon five of the 12 questions, relating to: aid conditionality, winning hearts and minds

and ideas for policy change. The change in questionnaire had a minimal impact on sample size numbers and did not contribute to any bias given there is a broad cross section of the sample in the first 11 Pakistani elite interviews: academia, think-tanks, retired military, retired bureaucrats, business and journalist.

The two elite samples are discussed in detail in the next two sub-sections. Random sampling was neither desirable nor possible. Instead, I used a mix of purposive and snowball sampling. In the US, where access to politicians was difficult, the sample can be regarded as representative of the non-political foreign policy elite with expertise on Pakistan. Indeed, with the exception of a few Pakistan experts who were unavailable at the time, the sample used in this research comprehensively covers the population of Pakistan specialists in the United States. In Pakistan, the sample can be regarded as more broadly representative of the foreign policy elite, including politicians, since my networks (and length of time spent in Pakistan) enabled me to include politicians in the elite sample.

It should be noted that neither sample includes currently serving military personnel. While this would have been interesting, it proved too hard in both countries. The research can thus be thought as providing civilian perspectives, though in Pakistan I also interviewed a number of retired military commanders.

Because I was in Pakistan for a little over three years, in addition to the interviews, I was able to observe domestic media reporting on US-Pakistan relations in Pakistan, as well as attend numerous seminars in Islamabad on Pakistan's economy, security and development, and on US-Pakistan relations. The thesis also draws on both of these additional sources. The seminars in particular gave a unique insight into the thoughts of the Pakistani elite on divisive topics like aid and Pakistan's bilateral relationship with the US, and it was interesting to hear perspectives delivered for a domestic, Pakistani audience. They were often more sensationalist or hardline than views provided in a one-on-one interview, even when it was the same speaker/interviewee.

Approval from the Human Research Ethics Committee (HREC) of the Australian National University for this thesis was received on 18 July 2011. All interview

respondents, with the exception of one Skype interview in Pakistan and one Skype interview in Washington, were required to sign a consent form. Of the 39 consent forms signed by Pakistani respondents, only one did not consent to audio recording (as noted in Annex 2.3). All Pakistani respondents gave permission for names and quotations to be used as part of this research. Of the 37 consent forms signed by the US respondents, four did not consent to audio recording. Five respondents asked that all published (non-thesis) quotations be cleared in advance of publication.

### *2.7.2 Elite interview participants – Pakistan*

Pakistani interviewees were drawn from academia, think-tanks, government departments, retired bureaucrats, retired military and politicians. While academics and think-tank analysts were obvious choices, retired bureaucrats and retired military were important inclusions in the Pakistan sample since many remain influential in public life after retirement. Access to politicians was easier in Pakistan than in the United States because of the length of time I spent in Pakistan. I was able to develop networks within the elite and draw on the recommendations and the personal connections of my interview respondents in order to conduct interviews with currently serving politicians from all of Pakistan’s major political parties.

The breadth of Pakistan’s elite within my sample enhances the value of the contribution of this research to the foreign policy literature on Pakistan. A list of Pakistani interview respondents is at Annex 2.3. Table 2.1 below provides an overview of the sample’s key characteristics.

***Table 2.1 – Overview of the Pakistani elite sample***

	Male	Female	Total
Academic	3	1	4
Think-tank	8	3	11
Politician	9	0	9
Retired military	3	0	3
Retired bureaucrat	3	0	3
Media	3	0	3
Business	2	1	3
Consultant	0	2	2
Government	2	0	2
<b>TOTAL</b>	<b>33</b>	<b>7</b>	<b>40</b>



Politicians were interviewed from all major political parties, including Pakistan Peoples Party (PPP)<sup>3</sup>, Pakistan Muslim League-Nawaz (PML-N)<sup>4</sup>, Pakistan Tehreek-e-Insaf (PTI), Pakistan Muslim League-Quaid (PML-Q), Muttahida Quami Movement (MQM) and Independents.

Most interviews with major think-tanks and academic institutions were conducted with the head of department to ensure influential voices from these institutions were represented. One group interview was conducted as part of the Pakistan sample, and included a group of three economists from the Pakistan Institute of Development Economics (PIDE) at Quaid-i-Azam University. PIDE is regarded as the premier development economics institution in Pakistan and the interview provided the opportunity to learn more about Pakistan's development settings and priorities and how these have changed over time.

To select my elite respondent pool, I familiarised myself with the major think-tanks and universities in Pakistan, particularly in Islamabad. In order to select the retired bureaucrat/military elite that remained policy influential, I regularly read the English-language opinion columns of a selection of newspapers and approached those who frequently wrote columns commenting on US-Pakistan relations. I contacted a number of politicians from different political parties to ensure I had elite representation from all of Pakistan's major political parties. I approached the majority of potential elite respondents via email. I also utilised the "snowball" mechanism to secure additional interviews by asking the Pakistani elite for suggestions of other suitable participants for this research at the conclusion of the first 38 interviews.<sup>5</sup> It is difficult to quantify the number of interviews secured using the snowball technique given the length of time spent in-country. A number of interviews were secured because of personal recommendations given by some of the elite to their friends and colleagues to participate in my research. I requested 90 interviews via email in Pakistan and undertook 40. My target was to interview equal numbers of Pakistan and US elite. Given I interviewed 38 in the US; this was also my

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<sup>3</sup> PPP, in government 2008-13.

<sup>4</sup> PML-N, in government 2013-present.

<sup>5</sup> Interviews 39 and 40 were not asked this question because these interviews were conducted in my final weeks in Islamabad in 2013.

target in Pakistan. In the end, I interviewed two additional Pakistani elite after these interviews were facilitated by existing contacts.

This research's sample is largely representative of the elite in Pakistan. However, it could have included more of the business elite given the influence of large, land-owning family businesses in Pakistan. Landowners in Pakistan are both very wealthy and very influential – a direct result of the feudal system that has existed for centuries. Only five per cent of Pakistanis own over two-thirds of land used for agriculture in Pakistan (Ghosh 2013). Most of the business elite are based outside of Islamabad, in Lahore or Karachi, which made securing interviews more difficult, given security considerations.

The World Bank reports female labour participation in 2012 at 24 per cent. Only 17.5 per cent of this sample is female. This reflects both low labour participation in general and particularly low participation of females in highly skilled occupations.

Given Pakistan is a conservative Islamic country, I was initially unsure about how I, as a Caucasian Australian woman would be received by the Pakistani male-dominated elite. However, my gender, ethnicity and nationality turned out to be a strong advantage in securing interviews. All interviewees were relaxed and frank with me (in my best estimation), and many men (and women) went out of their way to assist me in securing additional interviews with friends and colleagues. In one instance, I was meeting a politician in his office and he had a lunch appointment with another political colleague. My interview subject delayed his lunch appointment and insisted I interview his colleague then and there for this research – a politician from a remote area of Pakistan that I would not have interviewed otherwise.

### *2.7.3 Elite interview participants – United States*

In the United States, I approached 68 people via email for interview, 53 in Washington DC and 15 in New York. I interviewed 34 participants in Washington DC and 4 in New York. Participants were drawn from academia, think tanks, political staffers and government departments.

The initial sample of respondents was chosen by reviewing a list of foreign policy think tanks and academic institutions with a South Asia focus in these cities.<sup>6</sup> Government officials at the State Department and USAID, analysts at International Financial Institutions and political staff members who were included in the sample either worked on Pakistan specifically or had served at the US Embassy or at Consulates in Pakistan. Many interviews were set-up in advance via email, but the “snowball” mechanism was applied to scheduling additional interviews once fieldwork had commenced in the United States, though to a lesser extent than in Pakistan due to the severe time constraints. Interview participants were asked to suggest other “policy elite” that would be able to make a contribution to this research. Five additional interviews in Washington DC, including three with political staffers, and three additional interviews New York were secured using this technique.

Table 2.2 below shows the breakdown of respondents by category. The former bureaucrat column is included to illustrate the large number of former public servants who move into academia or think tanks in the US. A detailed overview of US-based interview participants, including short biographies, is provided in Annex 2.3.

**Table 2.2 – Overview of the United States elite sample**

Category	Male	Female	Former Bureaucrat	Total
Think-tank	15	3	7	18
Academic	7	0	4	7
Bureaucrat	1	3	-	4
International World Bank/IMF (IFI)	3	1	0	4
Political staffer	2	1	0	3
Consultant	0	1	1	1
Journalist	1	0	0	1
<b>TOTAL</b>	<b>29</b>	<b>9</b>	<b>12</b>	<b>38</b>

Most of the US participants are from think-tanks and academia: 66 per cent of the total in the United States compared to 38 per cent for Pakistan. The number of former bureaucrats who have moved to work in academia (4 participants) or think-tanks (7 participants) who are a part of this sample is also reflective of the interaction between policy makers and think-tanks/academia in the United States.

<sup>6</sup> See <http://thinktanks.fpri.org> for the list of think-tanks used to select interview participants.

Due to the short time frame in which I conducted research in the United States (two weeks in Washington DC and one week in New York) I did not seek interviews with politicians or senior military staff given it was unlikely I would secure interviews. I included participants from the International Financial Institutions, namely the World Bank and International Monetary Fund, because of the involvement of both institutions in Pakistan. Although nominally these institutions reflect international rather than American views, in practice American influence within these institutions remains strong. The inclusion of the IFI staff also gives greater policy depth to the sample as participants interviewed had extensive knowledge of Pakistan's development landscape and could provide an 'arms length' assessment of US policy in Pakistan. The IFIs form an important part of the US policy elite because they engage in both the think-tank communities in Washington DC and New York and also work with US government agencies on Pakistan.

#### *2.7.4 Interview analysis*

In order to build upon the qualitative data collected through interviews, I use some basic quantitative analysis to organise my data in the results Chapters 3-7. Aberbach and Rockman note that in elite interviewing, where responses to questions are almost always well-formulated and respondents can "productively and effectively" answer questions in their own way, a researcher can "build a coding system that maintains the richness of individual responses but is sufficiently structured that the interviews can be analysed using quantitative techniques" (2002, p. 675). Like Aberbach, Chesney and Rockman (1975), I argue that unless responses are coded to minimise information loss, "the transformation of highly verbalised information into quantitatively useable data will lead to a sizeable missing data problem since even with a uniform stimulus people often talk about different things or use different frameworks" (p. 3).

After reading through transcripts of each response to individual open-ended questions, patterns began to emerge where responses could be clustered under certain broad headings. All interview responses were recorded in a spreadsheet based on a number of key words or key themes from the interviews. These key words (or "headings") were then used to place responses into the categories. Each chapter outlines these categories and the number of responses placed in each, and annexes to these chapters

shows how, based on the key words noted above, I categorise each response. In each chapter I then come back to the qualitative responses and use these to demonstrate the broad themes, alongside the agreement and disagreements between both elite groups.

As the literature warns, the risks of this approach is the introduction of possible biases due to coder discretion:

Discretionary coding procedures can affect the independence of items; when coders are permitted latitude to examine context, i.e., more than a discrete response, the independence of the coding items may be compromised. Relaxing coding constraints to some degree is essential to bring forth informational richness, but it also increases risk that coders may form a biased Gestalt about each respondent, which may, in turn create an assimilating effect across coding items (Aberbach, Chesney and Rockman 1975, p. 16).

In practice, this did not seem to be a serious problem, as most of the coding was straightforward. However, there are a few more complex cases which are discussed in the relevant chapters.

## **2.8 Conclusion and thesis overview**

History has shown the United States' nation-building objectives have risen and fallen, as outlined in Chapter 1. As Chapter 2 showed, the tension between realist and nation-building goals during the Cold War has been examined in the literature. However, the literature to date does not look at this tension in a contemporary light. This thesis contributes to this literature by taking a case study approach to the examination of the United States' post 9/11 aid program to Pakistan, and will highlight the relative importance and tensions between realist and nation building objectives. It will do this by examining the perceptions of the Pakistani and US elite with respect to US foreign, particularly aid, policy in Pakistan. This is not only an undertaking in an underexplored research area of intrinsic interest, but one that will contribute to a better understanding of the interaction between two fundamental goals of foreign aid.

This thesis includes six more chapters. Chapters 3 to 7 answer my four research topics. Chapter 3 explores Pakistani and American elite perceptions of the challenges facing Pakistan. Chapter 4 analyses perceptions of what the US wants from Pakistan. Chapter 5 scrutinises elite perceptions of the use of aid conditionality in Pakistan and the ability of US aid to achieve leverage over Pakistani policy. Chapter 6 delves into perceptions of aid's ability to win hearts and minds, distinguishing between the elite and the masses in Pakistan. Chapter 7 highlights Pakistani and US elites perceptions of what policy changes are needed to improve the bilateral relationship. Chapter 8 provides an overall summary and conclusion.

## Annex 2.1 – Guide to interview questions: Pakistani respondents

1. What are the biggest challenges facing Pakistan?
2. What does the US want most out of its cooperation with Pakistan, and which key policy points do both sides converge and diverge on?
3. What is the US' biggest strategic obstacle in engaging with Pakistan?
4. What one key factor would you change in Pakistan's policy towards the United States?
5. The Kerry Lugar Berman bill comes with economic and security related conditions. Do you think US aid to Pakistan should have conditions attached?
6. Can aid or loans from bilateral and multilateral donors, with conditionality attached can bring about economic policy reform in Pakistan? Examples of successes?
7. Do you think the United States' aid program can achieve any leverage over Pakistani policy? Is it leverage over international policy or domestic and domestic policy?
8. Pakistani opinion of the United States is negative, despite the large US aid program. Why can't the US improve its image in Pakistan?
9. Do you think giving aid to big projects like infrastructure or smaller projects like education and health, are more beneficial to try and improve America's image in Pakistan?
10. It will be difficult for the US to win hearts and minds in Pakistan as long as it has a presence in Afghanistan. Do you think it will be easier for the US to win over Pakistan once it has left Afghanistan?
11. Whose hearts and minds is the US trying to win in Pakistan - the elite or the mass public?
12. Can you suggest others I should speak to in Pakistan?

## Annex 2.2 – Guide to interview questions: US respondents

1. What are the biggest challenges facing Pakistan?
2. What does the US want most out of its cooperation with Pakistan, and which key policy points do both sides converge and diverge on?
3. What is the US' biggest strategic obstacle in engaging with Pakistan?
4. What is the one key factor you would change in the United States' current policy settings towards Pakistan?
5. The US employs a variety of carrots and sticks in its policy mix towards Pakistan. What has proven to be the most effective and ineffective?
6. The Kerry Lugar Berman bill comes with economic and security related conditions. Do you think US aid to Pakistan should have conditions attached?
7. Can aid or loans from bilateral and multilateral donors, with conditionality attached can bring about economic policy reform in Pakistan? Examples of successes?
8. Do you think the United States' aid program can achieve any leverage over Pakistani policy?
9. It could be difficult for the US to win hearts and minds in Pakistan given its presence in Afghanistan. Do you think the US will be able to win over Pakistan once it leaves Afghanistan?
10. Is the US trying to win hearts and minds? Whose hearts and minds is the US trying to win in Pakistan - the elite or the mass public?
11. How do you think relations will change between the US and Pakistan once the US military draws down in Afghanistan?
12. Pakistani opinion of the United States is negative, despite the large US aid program. Why is the US having trouble explaining its engagement with Pakistan?
13. Can you suggest anyone else in Washington DC/New York I should meet with?



## Annex 2.3 – Biographies of Pakistani and US elite interview participants

### *US Policy Elite Participants (in order of interview date)*

\* denotes hand written notes taken rather than transcript from audio recording

<b>Name</b>	<b>Title</b>	<b>Organisation</b>	<b>Date of Interview</b>	<b>City</b>	<b>Biographical Details</b>
Ambassador William Milam	Senior Scholar, Asia Program	Woodrow Wilson Centre	5 March 2012	Washington DC	Research and publications at the Wilson Centre have concentrated on South Asia. Before joining the Wilson Centre, he was a career diplomat. He retired from the U.S. Foreign Service at the end of July 2001, but continues to take on temporary assignments for the State Department; the most recent was as temporary Chief of Mission at the U.S. Embassy in Tripoli, Libya from August 2007 to February 2008. His last post before retirement was as Ambassador to the Islamic Republic of Pakistan where he served from August 1998 to July 2001.
Danny Cutherell	Policy Analyst	Centre for Global Development	5 March 2012	Washington DC	Danny grew up in Khyber Pakhtunkhwa and has managed a variety of development and local governance programs in Pakistan and Afghanistan since 2005. He graduated with an MA in International Economics and South Asian Studies from the Johns Hopkins School of Advanced International Studies in 2011.
Walter Andersen	Senior Adjunct Professor, South Asia Studies	School of Advanced International Studies (SAIS), Johns Hopkins University	6 March 2012	Washington DC	Recently retired as chief of the U.S. State Department's South Asia Division in the Office of Analysis for the Near East and South Asia; held other key positions within the State Department, including special assistant to the ambassador at the U.S. Embassy in New Delhi and member of the Policy Planning Staff in Washington, D.C.; previously taught at the University of Chicago and the College of Wooster.

Dr Andrew Wilder	Vice President, South and Central Asia Program	United States Institute of Peace	6 March 2012	Washington DC	Prior to joining the Institute, he served as research director for politics and policy at the Feinstein International Center at Tufts University. Also served as founder and director of Afghanistan's first independent policy research institution, the Kabul-based Afghanistan Research and Evaluation Unit (AREU). This was preceded by more than 10 years managing humanitarian and development programs in Pakistan and Afghanistan, including with Save the Children, International Rescue Committee, and Mercy Corps International.
Paul Fishstein	Fellow	Harvard Belfer Centre	6 March 2012	Washington DC	Visiting Fellow at the Harvard Belfer Centre, visiting fellow at the Feinstein International Centre at Tufts University. Paul has previously worked at the Afghanistan Research and Evaluation Unit and Management Sciences for Health (both in Afghanistan and the US)
Courtenay Dunn and Laura Lucas*	Pakistan Desk	State Department	6 March 2012	Washington DC	
Robert Hathaway	Director, Asia Program	Woodrow Wilson Centre	7 March 2012	Washington DC	Director since 1999. Prior to joining the Wilson Centre he served for twelve years on the professional staff of the Foreign Affairs Committee of the US House of Representatives, where he specialised in US foreign policy towards Asia.
Michael Kugelman	Program Associate, Asia Program	Woodrow Wilson Centre	7 March 2012	Washington DC	Responsible for research, programming, and publications on South and Southeast Asia. His most recent work has focused on Pakistan's 2013 elections, India-Pakistan relations, U.S.-Pakistan relations, and security challenges in India. Mr. Kugelman received his M.A. in law and diplomacy from the Fletcher School at Tufts University. He received his B.A. from American University's School of International Service.

Dr Zubair Iqbal	Adjunct Scholar	Middle East Institute	8 March 2012	Washington DC	Prior to joining the MEI as adjunct scholar in 2008, Dr. Zubair Iqbal worked with the International Monetary Fund (IMF) for thirty five years, retiring in 2007 as Assistant Director of the Middle East and Central Asia Department.
Ted Craig*	US Embassy, Political Section, Served in Islamabad	State Department	8 March 2012	Washington DC	
Stephen Cohen	Senior Fellow, Foreign Policy	Brookings Institution	8 March 2012	Washington DC	Expert on Pakistan, India, and South Asian security. He is a senior fellow in foreign policy studies at the Brookings Institution and an emeritus professor at the University of Illinois at Urbana-Champaign. He has authored, co-authored or edited at least 12 books, has been named as one of America's 500 most influential people in foreign affairs, and is a fixture on radio and television talk shows.
Sajit Gandhi	Senior Professional Staff Member	House Foreign Relations Committee	9 March 2012	Washington DC	Senior Professional Staff Member since 2010. Prior to this he worked at Deputy Director of Communications to the Special Representative for Afghanistan and at the State Department.
Ambassador Wendy Chamberlin	President	Middle East Institute	9 March 2012	Washington DC	President of the Middle East Institute since 2007. Previously, as deputy high commissioner for refugees from 2004 to 2007, she supervised the administration of the U.N. humanitarian organization. A 29-year veteran of the U.S. Foreign Service, and Ambassador to Pakistan from 2001 to 2002, when she played a key role in securing Pakistan's cooperation in the U.S.-led campaign against al-Qaeda in Afghanistan in the wake of the terrorist attacks against the U.S. on September 11.
Adnan Mazarei	Country Director for Pakistan	International Monetary Fund	9 March 2012	Washington DC	Former IMF Mission Chief in Pakistan

USAID*	Roundtable with members of the Pakistan Desk	USAID	9 March	Washington DC	
Shamila Chaudhary	South Asia Analyst	New America Foundation	12 March 2012	Washington DC	Senior Advisor to Dean Vali Nasr at the School for Advanced International Studies (SAIS) at Johns Hopkins University and is a senior South Asia fellow at the New America Foundation. Director for Pakistan and Afghanistan on the National Security Council from 2010-2011. Prior to her work at the NSC, she worked on the Department of State's Policy Planning Staff, where she advised Secretary Clinton and the late Ambassador Richard Holbrooke on Afghanistan and Pakistan. Chaudhary served on the State Department's Pakistan Desk from 2007-2009.
Fatema Sumar	Senior Professional Staff Member	Senate Foreign Relations Committee	12 March 2012	Washington DC	U.S. Senate Foreign Relations Committee, where she served as a Senior Professional Staff Member for then-Senator John F. Kerry (D-MA) and Senator Robert Menendez (D-NJ). At the committee, her responsibilities included oversight of U.S. foreign policy and foreign assistance in South and Central Asia, particularly Afghanistan, Pakistan, and India, and global Muslim engagement issues.
Joshua White	Analyst, South Asia; PhD Candidate	United States Institute of Peace/SAIS	12 March 2012	Washington DC	White has spent extensive time in South Asia, and has held short-term visiting research fellowships at the U.S. Institute of Peace (USIP), the Lahore University of Management Sciences (LUMS), the International Islamic University in Islamabad (IIUI), Pakistan's National Defence University (NDU), and the Institute for Defence and Strategic Analyses (IDSA) in Delhi.
Danielle Pletka	Vice President, Foreign and Defence Policy	American Enterprise Institute for Public Policy	13 March 2012	Washington DC	Senate Committee on Foreign Relations senior professional staff member for the Near East and South Asia, Pletka was the point person on Middle East, Pakistan, India and Afghanistan issues. As the senior vice president for foreign and defense policy studies at

		Research			AEI,
Steve Coll	President	New America Foundation	13 March 2012	Washington DC	Journalist, author, and business executive. He is currently the dean of Columbia Journalism School. He is a former president and CEO of New America Foundation, and has been a staff writer for <i>The New Yorker</i> . He is the recipient of two Pulitzer Prize Awards, two Overseas Press Club Awards, a PEN American Center John Kenneth Galbraith Award, an Arthur Ross Book Award, a Livingston Award, a Robert F. Kennedy Journalism Award, a <i>Financial Times</i> and Goldman Sachs Business Book of the Year Award, and the Lionel Gelber Prize. In 2012, he was elected to the Pulitzer Prize Board.
Michael Krepon	Senior Associate, South Asia	Stimson Centre	13 March 2012	Washington DC	Co-founder of the Stimson Centre. He worked previously at the Carnegie Endowment, the State Department, and on Capitol Hill. His areas of expertise are reducing nuclear dangers, with a regional specialization in South Asia.
Salman Assim*	Analyst, Pakistan	World Bank	13 March (for background)	Washington DC	
Bruce Riedel	Senior Fellow, Foreign Policy	Brookings Institution	14 March 2012	Washington DC	Senior fellow and director of the Brookings Intelligence Project, part of Brookings' new Center for 21st Century Security and Intelligence. In addition, Riedel serves as a senior fellow in the Center for Middle East Policy. He retired in 2006, after 30 years of service, from the Central Intelligence Agency, including postings overseas. He was also a senior advisor on South Asia and the Middle East to the last four Presidents of the United States in the staff of the National Security Council at the White House. He was also deputy assistant secretary of defense for the Near East and South Asia at the Pentagon and a senior advisor at the North Atlantic Treaty Organization in Brussels.

Marvin Weinbaum	Scholar in Residence	Middle East Institute	14 March 2012	Washington DC	Professor emeritus of political science at the University of Illinois at Urbana-Champaign, and served as analyst for Pakistan and Afghanistan in the U.S. Department of State's Bureau of Intelligence and Research from 1999 to 2003.
Dr Robert Lieber	Professor of Government and International Relations	Georgetown University	14 March 2012	Washington DC	Professor of Government and International Affairs at Georgetown University, where he has previously served as Chair of the Government Department and Interim Chair of Psychology. In addition, he chairs the Executive Committee of Georgetown's Program for Jewish Civilization. He is author or editor of sixteen books on international relations and U.S. foreign policy, and he has been an advisor to several presidential campaigns, to the State Department, and to the drafters of U.S. National Intelligence Estimates.
Kalpana Kochhar	Chief Economist, South Asia Region	World Bank	15 March 2012	Washington DC	Deputy Director in the Strategy, Policy and Review Department of the IMF. Between 2010 and 2012, she was the Chief Economist for the South Asia Region of the World Bank.
Ernesto May	Director, South Asia Poverty Reduction and Economic Management Network	World Bank	15 March 2012	Washington DC	Sector Director for Poverty Reduction and Economics Management
Dr Paul R. Pillar	Researcher, Centre for Peace and Security Studies	Georgetown University	15 March 2012	Washington DC	28-year veteran of the Central Intelligence Agency (CIA), serving from 1977 to 2005. He is now a non-resident senior fellow at Georgetown University's Center for Security Studies, as well as a nonresident senior fellow in the Brookings Institution's Center for 21st Century Security and Intelligence
Polly Nayak	Author of	Consultant	15 March	Washington	Independent consultant. She retired from government in 2002. From

	Woodrow Wilson report “Aiding without Abetting: Making US civilian assistance work for both sides		2012	DC	1995-2001, she was the US intelligence community’s senior expert and manager on South Asia,
Shuja Nawaz	Director, South Asia Centre	Atlantic Council	15 March 2012	Washington DC	First director of the South Asia Center at the Atlantic Council in January 2009. He has worked for the <i>New York Times</i> , the World Health Organization, and has headed three separate divisions at the International Monetary Fund.
Ambassador Robin Raphel*	Former Ambassador for Economic Assistance, Pakistan	State Department	16 March 2012	Washington DC	Until November 2, 2014, she served as coordinator for non-military assistance to Pakistan, carrying on the work of the late Richard Holbrooke, whose AfPak team she joined in 2009. In 1993, she was appointed by President Bill Clinton as the nation's first Assistant Secretary of State for South and Central Asian Affairs, a newly created position at the time designed to assist the U.S. government in managing an increasingly complex region. Later served as U.S. Ambassador to Tunisia from November 7, 1997 to August 6, 2000, during President Bill Clinton's second term in office. She retired from the State Department in 2005 after 30 years of service.
Michal Phelan*	Senior Professional Staff Member	Senate Committee on Foreign Relations	16 March 2012	Washington DC	Works for Chairman Richard Lugar, where his portfolio includes African Affairs, Afghanistan, and Post-Conflict Stabilization/Reconstruction. Prior to his current position, Michael completed his Masters degree at The Fletcher School of Law and Diplomacy at Tufts University in 2002, and worked as a Fellow at Conflict Management Group developing grass roots peace-building programs.

Tom Gregg*	Fellow, Afghanistan Regional Project	New York University	20 March 2012	New York	Fellow and Associate Director Afghanistan-Pakistan Regional Project. Prior to joining NYU he served for four years with the United Nations Assistance Mission in Afghanistan as Special Assistant to the Special Representative of the Secretary-General and as the Head of UNAMA's Southeast Region.
S. Akbar Zaidi	Visiting Professor, South Asia	Columbia University	22 March 2012	New York	Visiting Professor for 2010 – 2011. He holds a joint appointment with SIPA and the Department of the Middle Eastern, South Asian, and African Studies. His research focuses on development, governance, and political economy in South Asia.
David Speedie	Senior Fellow; Director, US Global Engagement Program	Carnegie Council for Ethics in International Affairs	22 March 2012	New York	Director of the Council's program on U.S. Global Engagement. In 2007–2008, Speedie was also a senior fellow at the Belfer Center for Science and International Affairs at Harvard University's John F. Kennedy School of Government.
Jake Sherman*	Deputy Director for Programs, Conflict	New York University	23 March 2012	New York	Deputy Director for Programs Conflict at the Centre on International Cooperation. From 2003-05 he was a political officer for the United Nations Assistance Mission in Afghanistan.
Alexander Evans*	Senior Fellow, Jackson Institute for Global Affairs	Yale	24 March 2012	New York	In July 2011 he was appointed the Henry A. Kissinger Chair in Foreign Policy at the Library of Congress. Until then he worked as a senior advisor to Ambassador Marc Grossman, and previously to the late Ambassador Richard Holbrooke, the U.S. Special Representative for Afghanistan and Pakistan. He focused on U.S.-Pakistan relations and developing a political process in Afghanistan.
David Rohde*	Journalist	Thomson Reuters	27 March 2012	New York	Investigative journalist for <i>Thomson Reuters</i> . While a reporter for <i>The Christian Science Monitor</i> , he won the Pulitzer Prize for International Reporting in 1996 for his coverage of the Srebrenica massacre. From July 2002 until December 2004, he was co-chief of <i>The New York Times</i> ' South Asia bureau, based in New Delhi, India. He shared a second Pulitzer Prize for <i>Times</i> 2008 team coverage of



					Afghanistan and Pakistan. While in Afghanistan, Rohde was kidnapped by members of the Taliban in November 2008, but managed to escape in June 2009 in Pakistan after seven months in captivity.
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*Pakistani Elite Participants (in order of interview date)*

\* denotes hand written notes taken rather than transcript from audio recording

<b>Name</b>	<b>Title</b>	<b>Workplace</b>	<b>Date of Interview</b>	<b>City</b>	<b>Biographical Details</b>
Salma Malik	Assistant Professor, Department of Defence and Strategic Studies	Quaid-i-Azam University	3 October 2011	Islamabad	Prior to joining QAU, she worked as a Research Officer at the Institute of Strategic Studies, Islamabad, Pakistan from June 1996 to August 1999. She has also been on the Visiting Faculty list of the Intelligence Bureau Directorate and has rendered lectures as a guest speaker at the PAF Air War College, Karachi, National Defence University, Islamabad, Fatima Jinnah Women University, Rawalpindi and Command and Staff College, Quetta.
Khalid Rahman	Director General	Institute of Policy Studies	6 October 2011	Islamabad	Editor of the Institute of Policy Studies journal and a member of social and development organisations.
Dr Maria Sultan	Director General	South Asian Strategic Stability Institute	7 October 2011	Islamabad	Media work has also included time as an anchor person in country's political television and radio programmes. She earned her PhD in Political Science from the Bradford University, and her thesis contained work on "Pakistan's nuclear arms control policy process." Also serves as professor at the National Defence University where she currently teaching in nuclear policy, weapons, and energy development.
Dr Zafar Jaspal	Associate	Quaid-i-Azam	10 October	Islamabad	Areas of research interest include: International

	Professor, Department of International Relations	University	2011		Politics, Strategic Studies; Nuclear and Missile Proliferation, Biosecurity, WMD, Arms Control/ Disarmament; Asymmetric Conflict, Terrorism and Counter-Terrorism; and Pakistan's Domestic Politics, Foreign/Strategic Policy
Ambassador Ali Sawar Naqvi	Retired Ambassador/ Executive Director	Centre for International Strategic Studies	11 October 2011	Islamabad	Founding Executive Director of the Centre. Established in October 2010 the Centre for International Strategic Studies (CISS) as an independent and autonomous think-tank for research and analysis of current regional and international strategic issues from a Pakistani perspective, to contribute to the national and international discourse, and thus create greater understanding between Pakistan and other countries. Diplomat from 1970 to 2006, which culminated in senior Ambassadorial positions, served at the United Nations, both in New York and Vienna, and in Washington D.C, London, Paris and Brussels.
Dr Tahir Amin	Chair, Department of International Relations	Quaid-i-Azam University	11 October 2011	Islamabad	Former Iqbal Chair at the Centre for International Studies, University of Cambridge, Cambridge, UK. He holds a PhD in Political Science from the Massachusetts Institute of Technology (1988), a Masters in International Relations from Carleton University, Canada (1978), and a M.Sc. in International Relations from Quaid-i-Azam University (1976). He received a King Faisal Scholarship to study at MIT, and a Fulbright Award at Harvard University (1992). He was a

					visiting Fellow at the Watson Institute of International Studies, Brown University, Providence, USA (1996), and at the Center for International Affairs (CFIA) at Harvard University. His research focuses on questions of world order, Pakistan's foreign relations, domestic politics of Pakistan, Kashmir, terrorism, and the politics of South and Central Asia.
Imtiaz Gul	Executive Director	Centre for Research and Security Studies	17 November 2011	Islamabad	Executive Director of the Islamabad-based independent Centre for Research and Security Studies that he founded in December 2007, with the support of Germany's Heinrich Boell Stiftung. The Centre is a research and advocacy outfit, focused primarily on security, radicalization and governance.
Asad Umar	CEO; President	Engro; Pakistan Business Council	18 February 2012	Islamabad	Pakistani lawmaker and former business administrator . He served as CEO and President of Engro Corporation for 8 years during a 27-year career with the company. He resigned from his post at Engro and joined Imran Khan's political party Pakistan Tehreek-e-Insaf on April 2012.
Khurram Hussain	Journalist	The Express Tribune	20 February 2012	Karachi	Leading business and economy journalist in Pakistan, based in Karachi. He has taught at the prestigious Lahore University of Management Sciences in the past. He writes a widely read column in Dawn, Pakistan's leading English language newspaper and in television has been a contributor to the BBC, providing short features on economic issues as well as appearing as an

					analyst for English and Urdu language services.
Ambassador Qazi Humayan	Retired Ambassador	Ministry of Foreign Affairs	1 March 2012	Islamabad	Mr. Humayun joined the Pakistan Foreign Service in 1973. He was also Ambassador to Afghanistan and Turkey, and Additional Secretary - Middle East and Africa in the Ministry of Foreign Affairs at Islamabad.
General Jehangir Karamat	Former Chief of Army Staff; Former Ambassador to the United States	Current position: Director, Spearhead Research	4 May 2012	Lahore	Retired four-star rank army general, military academic, and a former professor of political science at the National Defense University who held four-star assignments– the Chairman of the Joint Chiefs of Staff Committee from 1997 to 1998, and as the Chief of Army Staff of Pakistan Army from January 1996 to October 1998. After retiring from military service, he continued as a professor of Political science at the National Defence University (NDU) in Islamabad. In 2004, he was appointed as Pakistan Ambassador to the United States where he served from November 2004 until June 2006
Moeed Yusaf	South Asia Advisor	United States Institute of Peace	14 July 2012	Islamabad	Director of South Asia programs at the U.S. Institute of Peace. Yusuf has been engaged in expanding USIP's work on Pakistan/South Asia since 2010.
Lieutenant-General Asad Durrani	Former Chief of the Inter-Services Intelligence	Now retired	8 January 2013	Islamabad	Retired 3-star rank general in the Pakistan Army and presently an intelligence commentator. Durrani previously served as the Director-General of the Inter-Services Intelligence and former Director-General of the Pakistan Army's Military Intelligence.

Ambassador Akram Zaki	Retired Ambassador; former Senator and Chair of the Senate Foreign Affairs Committee	Now Retired	21 January 2013	Islamabad	He has held the role of senior leader of the Pakistan Muslim League (N) (PLM-N) and chairman of the Senate Standing Committee on Foreign Affairs. Zaki also served as Pakistani ambassador to China, Nigeria, Canada and the United States, during a long career with the Foreign Service that spanned throughout the reigns of Z.A. Bhutto and Gen. Zia-ul-Haq.
Dr Farooq Sattar	Head of Party	Muttahida Quami Movement (MQM)	23 January 2013	Islamabad	Pakistani politician, and parliamentarian. He was elected a member of national assembly on a ticket of Muttahida Quami Movement from NA-257 (Karachi) in Pakistani general election, 2013. He is Deputy Convener and Parliamentary leader of the political party MQM. He has also served as Provincial Minister in the Sindh Cabinet for Local Bodies and is one of the senior Members of the MQM Co-Ordination Committee. Also heads the Foreign Relations Committee in the Senate. On 16 March 2008, he was nominated as a candidate for the seat of the Prime Minister of Pakistan by the MQM.
Ayaz Amir	Politician	Pakistan Muslim League – Nawaz (PML-N)	5 February 2013	Islamabad	Prominent Pakistani journalist, columnist and a senior politician. He was previously elected a Member of National Assembly representing Chakwal in 2008 as a candidate of Pakistan Muslim League (Nawaz), he resigned from the party on 19 April 2013 after fell foul of articles 62 and 63 and he was refused a ticket for the National Assembly for the 2013 general elections

Dr Javid Leghari	Chairman	Higher Education Commission	15 February 2013	Islamabad	Chairperson of the Higher Education Commission of Pakistan from Aug 2009 to Aug 2013. He was previously Senator of Pakistan from the Pakistan Peoples Party. Dr Leghari has been a member of the Pakistan Peoples Party, a socialist democratic party.
Moneeza Hashmi	President	Commonwealth Broadcasting Association	16 February 2013	Lahore (via Skype)	Born in 1946 to Faiz Ahmad Faiz and Alys Faiz. Currently in her second term as President of the Commonwealth Broadcasting Association, UK; is handling the international relations of HUM TV as General Manager, Pakistan; is Project Advisor to LightStorm Entertainment; and Trustee of Faiz Foundation Trust and Faiz Ghar. Recipient of various National and International Awards, one of the most prestigious one that she received is the President of Pakistan's Pride of Performance Award in 2002 for her contribution in portrayal of women on the electronic media of Pakistan.
Ambassador Ayaz Wazir	Retired Ambassador	Now retired	20 February 2013	Islamabad	Former Pakistani Ambassador to Afghanistan
Group of Economists	Pakistan Institute of Development Economics	Quaid-i-Azam University	20 February 2013	Islamabad	
Faisal Karim Kundi	Former Deputy Speaker in PPP Government (2008-2013)	Seeking re-election in by-elections at the time of interview	27 May 2013	Islamabad	Elected Deputy Speaker, National Assembly of Pakistan on 19 March 2008 (youngest in Pakistan's history).  Comes from a well-known political and

					agriculturist family of Khyber-Pakhtunkhwa province of Pakistan.
Lieutenant-General Talat Masood	Retired 3-star General	Now retired	28 May 2013	Islamabad	Retired three-star general and a career Army Engineer Officer in the Pakistan Army Corps of Electrical and Mechanical Engineering (EME).
Raza Rumi	Director, Policy and Programs	Jinnah Institute	29 May 2013	Islamabad	Pakistani columnist, policy analyst and journalist. Consulting editor of The Friday Times, senior fellow at Jinnah Institute and most recently affiliated with the United States Institute of Peace. Raza is also an anchor and host Express News show "Khabar Se Agay".
Ahmed Bilal Mehboob	Secretary General	Pakistan Institute for Legislative Development and Transparency	29 May 2013	Islamabad	The founder President of PILDAT, Mehboob has over 25 years experience in senior management and advisory positions and over 8 years experience in design, planning and implementation of projects in the field of Parliamentary development, strengthening democratic institutions, democratisation, political discourse, election monitoring and dialogues for reconciliation. Considered an authority on political, legislative and electoral affairs of the country.
Dr Tariq Fazal Chaudhary	Politician	Pakistan Muslim League-Nawaz (PML-N)	31 May 2013	Islamabad	Elected as a Member of National Assembly on the ticket of Pakistan Muslim League (PML-N) from the Constituency No 49 Islamabad II in 2008.
Senator Abbas Afridi	Politician	Independent	31 May 2013	Islamabad	Member of upper house of Pakistan Parliament currently serving as Federal Minister of Textile Industry. He was elected to the Senate of Pakistan in March 2009 as an Independent candidate. He



					was a member of Senate Standing Committees on Rules of Procedures and Privileges, Science and Technology, Water and Power, Finance Committee, Parliamentary Affairs, Defense Production.
Shafqat Mahmood	Politician	Pakistan Tehreek-e-Insaf (PTI)	4 June 2013	Islamabad	Pakistani Politician, Columnist, and a retired civil servant who is serving as the Member of Parliament of Pakistan Tehreek-i-Insaf from Lahore's Constituency NA-126.
Zahid Hussain	Journalist	Freelance	5 June 2013	Islamabad	Award-winning journalist and writer, a senior editor with <i>Newsline</i> and a correspondent for <i>The Times of London</i> , <i>Newsweek</i> and <i>The Wall Street Journal</i> . He has also covered Pakistan and Afghanistan for several other international publications, including the Associated Press (AP) and <i>The Economist</i> . His book <i>Frontline Pakistan: The Struggle With Militant Islam</i> has won widespread acclaim as a seminal text on the subject.
Ayesha Siddiq	Consultant	Freelance	14 June 2013	Islamabad	Pakistani civilian military scientist, geo-strategist, author, former bureaucrat and political commentator. She regularly writes critical columns for reputable English language newspapers, including <i>Dawn newspapers</i> , <i>Daily Times</i> and <i>Express Tribune</i> . Her column appears every Friday. She previously served as a Visiting Scholar at the Johns Hopkins University
AR Jerral	Retired Brigadier	Now retired	19 June 2013	Islamabad	Regular columnist for conservative Pakistani English language press.

Abdur Rauf Khan Gandapur	Country Director	Oxford Policy Management	19 June 2013	Islamabad	Over 18 years' experience in program management with expertise in aid coordination, financial management and general management skills.
Dr Simbal Khan	Analyst	Islamabad Policy Research Institute	11 July 2013	Islamabad	Pakistan Scholar 2012-2013 Woodrow Wilson Centre, Washington DC, and Senior Research Fellow, Islamabad, Policy Research Institute, Pakistan. She is the CEO of Indus Global Initiative (IGI), a private sector enterprise focused on promoting regional connectivity in South-Central Asia.
Safiya Aftab	Aid Consultant	Freelance	17 July 2013	Islamabad	Islamabad-based consultant with degrees in economics and public administration, who has worked extensively with a wide range of development agencies and research institutions. Her work covers economics, governance and political economy issues.
Ikram Seghal	Chairman	Pathfinder Group (Security Contractors)	25 July 2013	Islamabad	Regular contributor of articles in newspapers that include: <i>The News</i> and the Urdu daily <i>Jang</i> . In addition, he appears regularly on current affairs programs on television in his capacity as a defense and security analyst. He is currently Chairman, Pathfinder Group Pakistan, which includes two of the largest private security companies in the country. Also involved in various national and international organizations. He is Member World Economic Forum (WEF); International Organization for Migration (IOM); Director, East West Institute (EWI), a US-based think-tank; and

					Member, WEF Global Agenda Council (GAC) for counter-terrorism.
Shahzad Bangash	Secretary	Planning and Development Commission, Federally Administered Tribal Areas (FATA)	25 July 2013	Islamabad	Public servant.
Amina Khan	Analyst, South Asia	Institute of Strategic Studies Islamabad	29 July 2013	Islamabad	Research Fellow at the Institute of Strategic Studies (ISSI), Islamabad, focusing on Afghanistan and Pakistan's Tribal Areas (FATA). She has also been a visiting fellow at the SWP Stiftung Wissenschaft und Politik - German Institute for International and Security Affairs (2011). She has authored a book titled FATA: Voice of the Unheard: Path Dependency and Why History Matters (2011)
Senator Hameed Ullah Jan Afridi	Politician	Independent	21 August 2013	Islamabad	Independent member of National assembly elected from NA- 46 Khyber agency in Federally administered Tribal areas, Pakistan.
Ejaz Haider*	Journalist	Freelance	23 August 2013	Islamabad	Former executive director of Jinnah Institute and Senior Journalist. He is a Columnist in Express Tribune and The News. He hosts program 'Belaag' on Capital TV.
Adnan Aurangzeb	Former politician		24 August 2013	Islamabad	Former member of Parliament and the pretender of the former Swat princely state. He is the eldest son of Miangul Aurangzeb and the eldest grandson of Miangul Jahan Zeb (the last ruler of

					Swat), and General Ayub Khan, Pakistan's first military ruler.
Senator Mushahid Hussain	Politician, Chair Senate Defence Committee	Pakistan Muslim League – Quaid (PML-Q)	24 October 2013	Islamabad	Conservative journalist, political scientist, geostrategist, and a former media mogul, currently serving as the senator on a Pakistan Muslim League (Q) platform to Senate of Pakistan. Secretary-General of the Pakistan Muslim League, a centrist party.

## Chapter Three: What does Pakistan need? Divergent perspectives on its wicked nation-building challenge

*“Pakistan is a guy sitting on a keg of dynamite, he swallowed poison, a deadly snake is writhing towards him, there is an earthquake in the vicinity, a jet plane is about to crash in his area and somebody is shooting at him with a rifle. So what is going to get him first? How do you sequence the problem?”*

*Stephen P. Cohen, Brookings Institution (Interview: 8 March 2012)*

### 3.1 Introduction

This chapter begins our examination of the relative importance of the nation-building and realist objectives of US aid to Pakistan by identifying what the US and Pakistani elite see as Pakistan's biggest challenges. The next chapter examines what the same groups identify as what the US most wants from Pakistan. Using the argument developed across the first two chapters, if there is a convergence in answers to both questions around nation-building challenges and solutions, then I will conclude that US aid is perceived to be primarily given with a nation-building objective. But if there is a divergence, I will conclude that there is a perception that the realist objective dominates. I am particularly interested in this, as in the other results chapters, in divergences or similarities between the views of the two elite groups.

To summarise, the research question posed in this chapter is: What do the Pakistan and US elite see as the main challenges facing Pakistan?

The key interview question drawn on to answer this question is: "What are the biggest challenges facing Pakistan?" This question was placed at the beginning of the interview given its relatively straightforward nature. This allowed me to build rapport with the interview respondents prior to more complex questions on the bilateral relationship, aid and leverage (Dunne 1995, p.67).

As noted in Chapter 2, there is a large Pakistan studies literature covering a range of subjects: from politics and foreign policy, to energy and the economy. Many highlight the growing number of challenges for Pakistan. For example, Hathaway and Kugelman (2009), and Kugelman (2013) systematically examine Pakistan's energy challenges. There have been few attempts, however, to learn from the Pakistani elite what they think are the key problems facing their country. Lieven (2011) is an exception. He provides a comprehensive analysis of contemporary threats to Pakistan's stability, weaving interviews with the elite and ordinary Pakistani with analysis to explain challenges in Pakistan's institutions at both the federal and provincial levels. Lieven finds Pakistan to be "janus-faced":

Pakistan is divided, disorganised, economically backward, corrupt, violent, unjust, often savagely oppressive towards the poor and women, and home to

extremely dangerous forms of extremism and terrorism – ‘and yet it moves’, and is in many ways surprisingly tough and resilient as a state and society (p. 4).

The views expressed by the elite I interview certainly capture the range of problems Lieven surveys. It is not difficult to characterise the future of Pakistan as a “wicked problem” (Rittel and Weber 1973), one which can be and is formulated in any number of ways. Predominantly also, the views expressed focus on Pakistan’s internal rather than external challenges. Interestingly, the view that Lieven summarises above is also the view shared by the US elite: as is shown later in the chapter, their concerns are with the economy and with governance. They are not particularly worried about terrorism. The Pakistani elites I spoke to are certainly concerned with the economy, and to a lesser degree with problems of governance. But they are also very concerned with security-related issues. For the most part, they are not convinced that Islamist extremism was being held “in check” and voiced questions about just how “tough and resilient” Pakistan state and society is. I argue that this is likely a recent shift in attitudes in Pakistan reflecting the intensification of terrorist threats in Pakistan in recent years, and a crystallisation of political sentiment that terrorism is no longer a problem to be ignored.

This chapter is organised into four sections. Following this introduction, Section 3.2 provides an overview of Pakistani elite perceptions of Pakistan’s challenges. Section 3.3 outlines American elite perceptions of Pakistan’s challenges. Section 3.4 discusses and compares Pakistan and US elite perceptions of Pakistan’s challenges. Section 3.5 concludes.

### **3.2 Pakistani elite perceptions of Pakistan’s challenges**

The question itself – “What *are* the biggest challenges facing Pakistan?” – and the fact that it was open-ended results in most respondents naming more than one challenge. The full sample of 40 Pakistani respondents answered this question, naming 102 challenges, an average of 2.5 per respondent.

There are various ways to analyse the responses. Focusing on key words or “headings” used by respondents (see Section 2.7.4), there were 33 different challenges named a total of 102 times. Table 3.1 below sets out the five most popular responses in terms of their mention by number of respondents. Annex 3.1 gives the full list of response “headings”, as I have analysed them.

***Table 3.1: Top five challenges named by the Pakistani elite***

<b>Challenge</b>	<b>Number of Respondents</b>
Economy	23
Terrorism	11
Energy	9
Security	8
Afghanistan	7

Slightly more than half of the elite name the economy as a challenge, with terrorism, energy, security and Afghanistan also named frequently. To undertake further analysis, the 33 different challenges are placed into one of four categories:

- Economic and social
- Domestic politics and governance
- Security-related
- External

Annex 3.1 shows the division of responses into these four categories. For the most part, categorisation was straightforward. The guidelines followed are further explained where necessary in the course of the following discussion.

As outlined in Table 3.2 below, the most popular category of response is “economic and social”, with 40 per cent of responses falling within this category, followed by “security-related” with 30 per cent of responses, “domestic politics and governance” with 16 per cent of responses, and “external” with 14 per cent of responses. Almost three-quarters of the elite name at least one economic/social challenge and 65 per cent name at least one security challenge. Two in five interviewees name a domestic political and governance challenge. This demonstrates the breadth of challenges perceived by the Pakistani elite.



**Table 3.2: Pakistani policy elite perceptions of Pakistan’s biggest challenges**

Category	Number of responses (% responses)	Number of respondents (% total respondents)
Economic and social	41 (40%)	29 (73%)
Security-related	31 (30%)	26 (65%)
Domestic politics and governance	16 (16%)	15 (38%)
External	14 (14%)	8 (20%)
<b>Total</b>	<b>102 (100%)</b>	<b>78 (196%)</b>

Note: ‘Number of responses’ denotes the number of responses within the category, and in parentheses the percentage of total responses falling within that category. ‘Number of respondents’ denotes the number of respondents who made a response falling within that category and in parentheses their number divided by the total number of respondents expressed as a percentage. The ‘Total’ row adds together the numbers in the columns above. The full sample of 40 Pakistani respondents answered this question.

The next four sections provide a detailed analysis of the four categories of responses.

### 3.2.1 *Economic and social challenges*

The most frequently named challenges are within the “economic and social” category of response. As noted, almost three-quarters of respondents give a response in this category, and 40 per cent of responses fall within it. This indicates that respondents are likely to name an economic or social challenge, and then some other challenge, whether security-related, political, or external.

Overwhelmingly, the challenges in this category are economic rather than social. 23 of the 29 responses within this category simply talk about “the economy” as a challenge. The most popular more specific response in this category referred to energy. A number of other responses related to such issues such education, healthcare and tax reform are mentioned by just a few respondents.

The economy is identified as a general challenge throughout the interview data set, from the first interview, in October 2011 to the last, in October 2013. Evidently, it is seen as a significant, enduring challenge, not linked to any particular event in time. Respondents from all professional groupings (academic/think tank, retired (bureaucrat or military), politician, journalist, business and currently serving public servants) and all provinces (except Balochistan) name the economy as a challenge.

Many respondents simply name the economy and move on without elaboration. For those respondents who do elaborate upon their response, two key themes emerge: the interlinkages between security and the economy, and the lack of government focus on the economy.

The Pakistani elite tends to view the country's poor economic health as an underlying cause of the poor security situation. Author and journalist Zahid Hussain argues that:

For the last five consecutive years we have a growth rate of less than 3 per cent, which is basically unprecedented in the country's history. This has resulted in huge unemployment and it has also, to a certain extent, fuelled extremism and militancy. Both are interconnected – militancy and economic revival (Interview: 5 June 2013).

Akram Zaki, who served as Ambassador to China, Nigeria, Canada and the United States, makes a similar argument, focusing on Pakistan's "youth bulge":<sup>7</sup>

Pakistan's biggest challenge is the mismanagement of its own economy. Terrorism can be controlled. We have a youth bulge where 70 per cent of our people are below the age of 30 and there are not enough jobs in the market. So there are three possibilities for our youth: those who can afford it are leaving the country, those who have no hope are going to disappointment and drugs, and those who have no hope and who are strong and angry; they are potential terrorists. If we are to fight terrorism, we must reorganise our economic structure to absorb the youth bulge (Interview: 21 January 2013).

Another common argument is that the government does not focus enough policy attention on Pakistan's economic challenges. Qazi Humayan, former Ambassador to Afghanistan and Turkey claims that:

The economic challenges are very difficult and it becomes compounded by the fact that this government is completely nonchalant towards it. They are just not interested and it is a government that has performed very badly. They are compounding the problem and they don't pay attention to anything – entire programs are based on government borrowing and deficit financing, while

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<sup>7</sup> According to the United Nations Development Program, Pakistan has one of the largest youth populations in the world, with 68 per cent of the population less than 30 years of age (UNDP 2013).

inflation is killing everyone (Interview: 1 March 2012).

This is in part a complaint about general government incompetence and in part a concern that economic considerations are being squeezed out by a focus on terrorism. Ayaz Wazir, former Ambassador to Afghanistan, takes the latter view: “Before militancy, we used to spend a bit on our own development. Now everything is taken for our protection” (Interview: 20 February 2013).

Pakistan faces a massive shortfall in electricity (Imtiaz 2011), which results in some parts of the country without power for most of the day. It is not surprising then that almost one quarter of interviewees identified energy as a national challenge. As Zahid Hussain, author and journalist, puts it: “The country is facing one of the worst power crises in its history and there is load shedding everywhere, even in cities like Islamabad we don’t have a continuous supply of light. So in this situation no government can be expected to revive the economy” (Interview: 5 June 2013).

As mentioned, few raise social as against economic concerns, but education is highlighted by three respondents. Poor education facilities and outcomes are linked to broader economic and social challenges. Senator Mushahid Hussain, head of the Pakistan Muslim League – Quaid (PML-Q) party and chair of the Senate Defence Committee considers education to be the key to Pakistan’s prosperity:

I speak as a former educationist who started his career in the university. Without education, this country cannot move forward, which means education for boys and for girls. Education is also a vehicle for social and economic equality, and for upward social mobility in Pakistan (Interview: 24 October 2013).

### 3.2.2 *Security-related challenges*

The second most popular category of response is “security-related”. 65 per cent of respondents name at least one challenge in this category (just three fewer than named an economic challenge). Security-related challenges are defined here as internal challenges, relating chiefly to terrorism, violence and law and order. Challenges relating to the war on terror, while security related, are primarily linked to Pakistan’s

foreign policy, and are therefore considered in Section 3.2.4 on Pakistan's external challenges.

Given the sheer number of terrorist attacks that occurred during the interview period of October 2011 to October 2013,<sup>8</sup> it is not surprising that security features so strongly in interview responses. As author and journalist Zahid Hussain puts it: "Community violence has cost a huge amount, in terms of human life, as well as the economy. We have seen over the last several years there have been about 40,000 to 50,000 deaths, mostly in the tribal areas. We have to restore law and order" (Interview: 5 June 2013).

Perhaps the reason security was not raised by even more respondents is given by General Asad Durrani, former head of Pakistan's the Inter-Services Intelligence. He nominates terrorism as a major challenge, but one that Pakistan is able to contain on its own:

A challenge that is made out to be big for us [Pakistan] from the western perspective is terrorism. Most people here would say it is a problem, but it is manageable. We don't think terrorism is that big a problem. It can't be solved, but it can be contained (Interview: 8 January 2013).

This is similar to the view of former Ambassador Zaki cited above who nominated the economy not terrorism as Pakistan's major challenge because "Terrorism can be controlled." Such views echoes the conclusion of Lieven (2011) that Pakistan will survive the terrorists. But many are more worried than this conclusion suggests. Raza Rumi, a Director at the Jinnah Institute, one of Pakistan's leading think-tanks, clearly views domestic extremism and militancy as an existential threat:

The biggest challenge that Pakistan faces currently has to do with the survival, the capacity of the state itself, because it is under attack by the home-grown militants and extremist strands, and it is impacting everything else; it is impacting the economy, it is impacting foreign policy and it is impacting the way the state is now viewing itself. It is also impacting the mindset of

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<sup>8</sup> From January 2011-December 2013, 17,800 people (including civilians, security force personnel and terrorists) were killed in terrorist attacks in Pakistan. See [www.satp.org](http://www.satp.org) for further terrorism-related data.

Pakistanis. When faced with the genie of extremism that the State has unleashed itself – they want to now appease it and bow before it (Interview: 28 May 2013).

Even when security threats are not seen as existential, they are viewed as major for several reasons: they threaten the economy, they distract attention from other issues, they are particularly severe in certain regions, and they pose difficult strategic questions for the state.

On the economy, unlike those in Section 3.2.1 who blame Pakistan's economic woes on its security problems, others see the causality running in the opposite direction. General Jehangir Karamat, a former Pakistani Ambassador to the United States and a former Chief of Army Staff, the most senior position in Pakistan's military, argues:

Progress is not going to happen [in the economy] until we have internal security because we have to have a manufacturing sector if we want FDI [foreign direct investment] and if you are going to convince domestic investors that it is a good place to keep your money. The first thing you have to do is [create] internal security and stability because that has been going down for the last seven to eight years (Interview: 4 May 2012).

Independent Member of the National Assembly representing the Federally Administered Tribal Areas (FATA), Hameed Ullah Jan Afridi highlights how security problems distract from others:

For the last 12-13 years the law and order situation has become a major issue. Parliamentarians are struck by the day-to-day issues on the law and order situation, due to which they afford very little focus to other important things. Until and unless you create an environment for the locals and the foreigners - a peaceful environment - it will become difficult to have progress (Interview: 21 August 2013).

Note the posing of the problem by Afridi in terms of "law and order". Five interviewees put the problem in these terms, and at least some were concerned not only with terrorists but also with criminals. General Karamat, Chief of Army between January 1996 and October 1998, immediately preceding General Pervez Musharraf,

complained about how in Karachi “extortionists, kidnappers and so on have been operating with almost a free hand.” (Interview: 4 May 2012).

Imtiaz Gul, Director at the Centre for Research and Security Studies, emphasises the problem of countering the religio-political groups that have proliferated in Khyber-Pakhtunkhwa and South Punjab (Interview: 17 November 2011). In Khyber-Pakhtunkhwa for example, weak governance has allowed the Taliban and other extremist groups to operate largely unchecked (Mehboob 2011).

Finally, terrorism poses a strategic dilemma for the government. Economic journalist for the Express Tribune, Khurram Husain, believes that Pakistan’s long-standing ties to extremist networks, used to advance its own political and geo-strategic interests, as discussed in Chapter 1, have now become a problem for the government:

How do you deal with the question of whether or not you are going to divest yourself from involvement with extremist organisations? It appears that Pakistan *is* going to retain links and not divest them so for the future the biggest question becomes how the government will manage this relationship with extremists. They want to use them as a tool to project influence in the region, but to what extent will that influence project itself back into the country (Interview: 20 February 2012)?

Neither a respondent’s home province nor their profession appears to have any obvious effect on their perceptions of terrorism, although it is noteworthy that all journalists raised security as a challenge, likely because of a greater awareness of the issues through their or their outlet’s own reporting.

### *3.2.3 Domestic politics and governance*

The third most popular category of challenge is in the area of domestic politics and governance. 15 respondents (38 per cent) mention 16 challenges (16 per cent) in this category. This was the most diffuse category, with the largest number of different individual responses within it: ten in all.

Six respondents specifically mention governance as a challenge. Businessman Ikram

Seghal sees it as *the* underlying challenge:

If you reduce Pakistan's challenges to one word, it is a lack of good governance. Everything stems from a lack of good governance. And unfortunately bad governance has been deliberately fostered to ensure corruption. In parliament, democracy talks about *one person, one vote* and yet they do not want to devolve power to the grass-roots level, to the local bodies. All the provinces, without exception, do not allow that because they know it works against the type of bad governance. When you have concentrated power, you have concentrated money, right? If you look at it, everything else stems from that, you know? (Interview: 25 July 2013).

A number of more specific governance and political challenges are raised by a number of other respondents, but none by more than one (see Annex 3.1).

Khalid Rahman, Director General at the Institute of Policy Studies argues that the various political and governance challenges wind up reinforcing each other:

We have been having military governments for more than half the country's life. Whenever there were political governments<sup>9</sup>, they were unable to complete their terms. There is political instability. And this instability has resulted in very poor governance. (Interview: 6 October 2011).

### 3.2.4 External challenges

Responses within the external category are least cited by the Pakistani elite, with only 20 per cent of respondents and 14 per cent of responses falling within this category. This external category houses responses that fall within the realm of Pakistan's external affairs, including bilateral, regional and multilateral issues. The main external concern was Afghanistan, named by seven of the eight respondents in this category. The war on terror is also mentioned by three respondents.

Afghanistan is the fourth most frequently named challenge overall (see Table 3.1). As discussed in Chapter 1, the concept of Afghanistan as a challenge for Pakistan is not new. Even before Pakistan existed as an independent state, the porous border

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<sup>9</sup> In Pakistan, many refer to the times of civilian-led government as "political government" as opposed to times of military rule.

between British India and Afghanistan and the shared ethnic and cultural identities of those living in the border regions inextricably binds both states together. The Soviet invasion of Afghanistan created negative spillover effects in Pakistan, including pushing weapons and conflict into Pakistan, drug proliferation and the movement of millions of Afghan refugees (Lodhi 2009). Pakistan also hosts almost 1.5 million registered Afghan refugees – the largest protracted refugee population globally (UNHCR 2015).

Khalid Rahman, Director General of the Institute of Policy Studies, which has a strong association and funding ties to the Islamic political party Jamaat Islami, articulates the view that Afghanistan remains a long-term, ongoing challenge for Pakistan:

Side-by-side we have a war-like situation in Afghanistan for the past more than 30 years. The way Pakistan and Afghanistan are situated, you can't isolate them. There are so many linkages between Pakistan and Afghanistan – anything happening in Afghanistan has fallout in Pakistan. The nature of war and the players in the war have changed, but the way it has been going on for the last 30 years, it has created a lot of impact on the Pakistani people, society, government and the decision making process (Interview: 6 October 2011).

Others within the elite are focused on the current context, in particular the impending US military withdrawal from Afghanistan. Ambassador Ali Shawaar Naqvi, who also served as the Deputy Head of Mission in the United States, lists Afghanistan as a challenge based on the inability to predict what will happen once the US and NATO military forces leave:

Pakistan fears that the whole perspective will change because in Afghanistan there will be a struggle for power... The Indians are one factor in the uncertainty in the struggle for power... Then China and Russia are going to be interested. So it is possible that there will be civil war in Afghanistan and every player is involved. That is going to be very detrimental to Pakistan's interests, because Pakistan wants peace and stability in Afghanistan with a modicum of influence. This won't be easy and it will have its repercussions...I think Pakistan has much to worry about. (Interview: 11 October 2011).



Interviewees are concerned with the repercussions of the war in Afghanistan on the domestic situation, Journalist Zahid Hussain highlights the effect of the war on tribal areas: “Whatever happens in Afghanistan will have a direct bearing on Pakistani peace and vice-versa also. Because regional peace is also directly linked with how we deal with the problem of insurgency in tribal areas – Pakistan’s tribal areas have become the centre of conflict from both sides of the border” (Interview: 5 June 2013).

Others point to the broader cost of the war on terror in terms of a loss of legitimacy and its economic costs. Professor Tahir Amin, Chair of the Department of International Relations at Quaid-i-Azam University, argues:

There has emerged a very deep distrust of the state among the people. They think that the government is not following our national interest, so groups have emerged who are trying to challenge the legitimacy of the writ of the state. This is very serious (Interview: 11 October 2011).

Khalid Rahman also focuses on the economic costs of the war on terror in his response:

For all practical purposes, for the last ten years we have been fighting a war. Some would say America is practically fighting against us; they have brought the war from Afghanistan to Pakistan. When there is a war, you can’t take long-term measures for development. You have to focus your resources and energy towards the war because it is the most immediate threat to you (Interview: 6 October 2011).

### **3.3 American elite perceptions of Pakistan’s challenges**

As with the Pakistani elite, the US elite were asked at the beginning of their interviews what they perceived to be Pakistan’s biggest challenge. 36 of the policy elite (out of a sample size of 38) provided 82 responses to this question, identifying on average 2.3 responses each.<sup>10</sup>

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<sup>10</sup> One interviewee did not respond to this question, believing it was not the United States’ job to comment on Pakistan’s challenges and one respondent from the World Bank was not asked this

Using keywords or “headings”, the 82 responses can be listed as 41 different challenges, shown in Annex 3.2. The five most popular responses are shown in Table 3.3.

**Table 3.3: Top five challenges named by the American elite**

<b>Challenge</b>	<b>Number of Respondents</b>
Economy	9
Energy	6
Afghanistan	5
Institutions	5
India	4

The economy is the challenge most often mentioned by US interviewees as it is for Pakistani respondents. Energy is the second most popular for the US, and third for Pakistan. But other responses diverge, and there is nothing like the commonality of response seen in Pakistan. For example, only one-quarter of US respondents mention the economy; some 60 percent of Pakistanis do. Further comparative analysis is provided in Section 3.4.

To undertake further analysis, all 82 US responses are placed into the same four categories as used for the analysis of the Pakistani answers:

- Economic challenges
- Security-related
- Domestic politics and governance
- External

Annex 3.2 shows the categorisation of challenges into the four themes and Table 3.4 summarises the results, listing the categories in order of popularity.

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question because he was interviewed only to provide background information on the World Bank’s program in Pakistan.

**Table 3.4: American policy elite perceptions of Pakistan’s biggest challenges**

<b>Category</b>	<b>Number of responses (% responses)</b>	<b>Number of respondents (% total respondents)</b>
Economic and social	32 (40%)	21 (58%)
Domestic politics and governance	27 (33%)	19 (53%)
External	14 (17%)	12 (33%)
Security-related	9 (11%)	8 (22%)
<b>Total</b>	<b>82 (100%)</b>	<b>60 (166%)</b>

Note: ‘Number of responses’ denotes the number of responses within the category, and in parentheses the percentage of total responses falling within that category. ‘Number of respondents’ denotes the number of respondents who made a response falling within that category and in parentheses their number divided by the total number of respondents expressed as a percentage. The ‘Total’ row adds together the numbers in the columns above. 36 of the full sample of 38 US respondents answered this question.

As for Pakistani respondents, “economic and social” is the most popular category with 40 per cent of responses. The ordering of the other categories was different however. “Domestic political and governance” is the second most popular category with 33 per cent of responses, “external” the third with 17 per cent of responses, and “security-related” the fourth with 11 per cent of responses.

### 3.3.1 Economic and social challenges

Responses within the category of “economic and social challenges” are the most popular with the US elite. 40 per cent of responses fall within this category, and 58 per cent of respondents provide a response within it.

Nine of the elite talk about the economy either in general terms, or to cover a range of issues and problems. A political staffer in Washington DC is in the latter category: “The debt crisis, inflation, gas prices, and energy shortages. It (the economic crisis) is on everybody’s radar but no one has come up with a plan to get Pakistan out of it and it is going to impact every other piece – whether it is the security crisis, the political crisis or its [Pakistan’s] relationship with India” (Interview: political staffer, March 2012).

Others focus on more specific challenges. Six respondents highlight the energy crisis. World Bank and International Monetary Fund staff are concerned about on two key

issues in energy: “First, they [Pakistan] haven’t invested enough in keeping up the power supply. Second, there are problems with the institutional and regulatory framework for collecting whatever tariffs they charge.” (Interviews: International Monetary Fund and World Bank, March 2012).

Seven other specific economic challenges are mentioned, most by only one or two respondents. These include: economic growth, the provision of social services, water, development, tax, fiscal stability, and job creation.

On the social policy side, a few in the US policy elite mention education or demography, in particular, the youth bulge, as both an opportunity and a challenge.

### *3.3.2 Domestic politics and governance*

Almost as many respondents name domestic politics and governance as they do economic and social challenges: 19 versus 21. Many different challenges are named within this category: institutions (five times), domestic political issues and state coherence (three times each), and a dozen other challenges once or twice. Clearly, Pakistan’s political, like its economic, challenges are seen as multi-faceted, and different respondents prioritise different aspects of the problem.

The concern for institutions extends beyond the government. Robert Hathaway, Director of the Asia Program at the Woodrow Wilson Center, says:

I worry a lot about Pakistan’s institutions, not simply the government... Educational institutions, the business sector and not only elected politicians but also the judicial system. There has generally been a break down in the authority of traditional religion. This is another institution in crisis right now. If Pakistan’s institutions don’t begin to work better, Pakistanis are going to be increasingly in despair (Interview: 7 March 2012).

Several interviewees note Pakistan’s stop-start experience with democracy, arguing that frequent military rule results in the “atrophying” of civilian institutions (Interview: Ambassador Robin Raphel, State Department, 16 March 2012).

According to Paul Pillar of Georgetown University: “The internal political equation

is the biggest Pakistani challenge. For Pakistan's whole history it has never really solved it. They have gone back and forth between direct military rule and sort of what they have right now" (Interview: 15 March 2012).

Given interviews with the United States elite were conducted in March 2012, more than a year before Pakistan's federal elections in May 2013, it is not surprising that there is a strong focus among interviewees on the consolidation of democracy.

Shamila Chaudhary at the New America Foundation agrees rebalancing the civil-military situation is key to improving the internal political environment in Pakistan:

We've seen the relationship between the civilians and the military deteriorate a lot in the past couple of years. Some of that is because of Afghanistan and national security issues; some of it is just because it is a bad relationship.

Ironing out the details of the relationship in this new democratic atmosphere...

It will be a key challenge for the [Pakistani] elite (Interview: 12 March 2012).

### 3.3.3 *External*

External challenges are named third most frequently by the US elite (17 per cent of all responses) and by one third of all respondents. Interestingly, India featured almost as frequently much as Afghanistan (four vs. five responses), and nuclear proliferation is also raised as a concern by three respondents.

Afghanistan is the third most popular individual overall response. Several in the elite frame Pakistan's biggest challenge in terms of a post-2014 US withdrawal from Afghanistan. Dr. Andrew Wilder, Director of the Afghanistan and Pakistan program at the United States Institute for Peace, argues:

This is coming to a bit of a head here, especially as the 2014 time-frame looms. Everyone is moving into the end game scenario to protect and preserve their interests. I think Pakistan is increasingly nervous with the international community and the US in particular – anything that will speed up the withdrawal (from Afghanistan) is going to make getting a politically negotiated, durable settlement more complicated (Interview: 6 March 2012).

Perspectives on Afghanistan are couched in terms of how Pakistan will cope with the

challenge of Afghanistan once the US withdraws militarily. This highlights the importance the US elite place on Pakistan being positively involved in a negotiated political settlement with its neighbors: “Some kind of political solution in Afghanistan and broader stabilisation will be vital to stability” (Interview: Paul Fishstein, Harvard Belfer Center, 6 March 2012).

Shamila Chaudhary, South Asia Analyst at the New America Foundation agrees that Afghanistan is the biggest issue on Pakistan’s horizon:

It will be the biggest national security issue up to 2014. Pakistanis will have to worry about instability, lots of refugees, the Taliban not being as much of a strategic ally as in the past, and maybe not helping out Pakistan in the way that it expects... After 2014 all bets are off and anything can happen (Interview: 12 March 2012).

The frequent identification of Afghanistan as a significant challenge or issue for Pakistan is a recurrent theme throughout interviews with the US elite.

Interestingly, almost as many in the American elite raise Pakistan’s longstanding troubled relationship with India. Pakistan’s tendency to view its foreign and defense policy through the lens of India is linked to its long history of distrust and is the legacy of three wars fought between the two countries. According to David Speedie, Senior Fellow at the Carnegie Council for Ethics in International Affairs: “It [India] is by far the overriding issue for Pakistan to deal with. To some extent, it colours so many of the other issues that are front page news” (Interview: 22 March 2012). The US elite emphasises the importance of a different sort of relationship with India: Shuja Nawaz from the Atlantic Council agrees economic imperatives should drive Pakistan to rethink its regional relations, in particular with India:

The reordering of Pakistan’s regional relationships is going to be critical... The India-Pakistan relationship remains key to everything. There is a disparity in the size, the growth rate and the military. Whether Pakistan is successful in reordering these relationships, particularly with India, will be critical to how it manages itself going forward (Interview: 15 March 2012).

Nuclear proliferation is also named by a number of the elite as a serious challenge, even if one that has been pushed to the background, for now. Bruce Riedel from the Brookings Institution argues:

The US is committed to a world with no nuclear weapons. Pakistan has the fastest growing nuclear weapons arsenal in the world. This issue, before 9/11 was the principal barrier to positive relations. If somehow Afghanistan and al Qaeda went away, it will come back (Interview: 14 March 2012).

### 3.3.4 *Security-related*

The least frequently named set of challenges are the “security-related” category of response, with only eight US respondents mentioning a response in this category, compared to 26 Pakistanis. Equal numbers of the elite name extremism (three respondents) and militancy (three respondents) as serious challenges. Some view the problem as getting worse. A political staffer in Washington, with expertise in Pakistan, notes that:

It has been a slow shift. There are more extremists, a more religiously conservative population – that is what the trend is. Part of the problem is that there are always things to multiply that – a lack of education, lack of jobs, lack of a stable economy. When these things combine, it becomes a problem. We don’t have programs to address it [extremism] at all. We shifted our aid to counterinsurgency in the tribal areas, which is too much of a band-aid approach (Interview: March 2012).

Marvin Weinbaum, at the Middle East Institute, is one of the few who raised terrorism as an existential threat, not now, but perhaps in the future.

The extremist groups, though Pakistan is sometimes in denial of them as the daily killings demonstrate – Pakistan does face a challenge from insurgency, which potentially threatens the state existentially. It is not to that point yet... (Interview: 23 March 2012).

Others, however, were more concerned about Pakistan’s *support* for terrorist groups, rather than terrorism itself. Bruce Riedel, senior fellow at the Brookings Institution, argues:

Pakistan's support for Lashkar-e-Taiba (LeT) is an open fact. The head of LeT, with its new hat as Jamaat-ud-Dawa<sup>11</sup>, travels around the country freely. Much more murky is their support for al Qaeda. The question of who was providing or who was complicit in the hiding of Osama bin Laden, the question that we don't have the answer to, but which we have a lot of circumstantial evidence, which points to some level of complicity with the Pakistani establishment (Interview: 14 March 2012).

### 3.4 Discussion

Comparing Pakistani and US elite responses is instructive, and highlights significant similarities and differences with respect to how Pakistan's challenges are viewed.

I begin my comparison of results by looking at the top five responses from both groups using the keywords deployed in the previous two sections (seven responses in all, since India and institutions are in the top five only for the US, and security and terrorism only for Pakistan). Economy and energy are important concerns for both groups, but terrorism and security are much bigger concerns for Pakistanis than for US interviewees.

*Table 3.5: Comparison of most popular US and Pakistani responses*

Challenge	Number of respondents (% respondents)	
	Pakistan	US
Economy	23 (58%)	9 (25%)
Terrorism	11 (28%)	2 (6%)
Energy	9 (23%)	6 (17%)
Security	8 (20%)	1 (3%)
Afghanistan	7 (18%)	5 (14%)
India	1 (3%)	5 (14%)
Institutions	2 (5%)	5 (14%)

Note: 'Number of respondents' denotes the number of respondents who made a response falling within that category and in parentheses their number divided by the total number of respondents.

<sup>11</sup> Jamaat-ud-Dawa calls itself a humanitarian charity but is also seen as a front organisation for the banned Lashkar-e-Taiba, a Pakistan-based group that fights Indian soldiers in India-administered Kashmir and accused of 2008 Mumbai attacks that killed 166 people. The State Department listed Jamaat-ud-Dawa a "foreign terrorist organisation" in June 2014. The group continues to operate openly in Pakistan, and its leader, Hafiz Saeed, holds public rallies and gives interviews (Al Jazeera 2014).



One of the takeaways from Table 3.5 is that Pakistani views are more homogenous than US ones. The Pakistanis name 33 different challenges versus the Americans' 41. The Pakistanis also coalesce to a greater degree around the most frequently named challenges, namely the economy (23 respondents) and terrorism (11 respondents), where the US are much more diffuse in their responses. For example, only nine name the economy (the most frequently named challenge) and six name energy (the second most frequently named).

Table 3.6 continues the comparison using the four-fold categorisation used throughout the chapter.

**Table 3.6: Comparing Pakistani and US elite perceptions of Pakistan's biggest challenges**

Category	Total number of responses (% responses)		Number of respondents (% respondents)	
	Pakistan	US	Pakistan	US
Economic and social	41 (40%)	32 (40%)	29 (73%)	21 (58%)
Security-related	31 (30%)	8 (10%)	26 (65%)	8 (22%)
Domestic politics and governance	16 (16%)	27 (33%)	15 (38%)	19 (53%)
External	14 (14%)	14 (17%)	8 (20%)	12 (33%)
<b>Total</b>	<b>102 (100%)</b>	<b>82 (100%)</b>	<b>78 (196%)</b>	<b>60 (166%)</b>

Note: 'Number of responses' denotes the number of responses within the category, and in parentheses the percentage of total responses falling within that category. 'Number of respondents' denotes the number of respondents who made a response falling within that category and in parentheses their number divided by the total number of respondents expressed as a percentage. The 'Total' row adds together the numbers in the columns above.

Table 3.6 shows that the majority of both the US and the Pakistani elite perceive Pakistan's challenges to be economic in nature. The US elite lists a wider range of specific challenges within the economic/social category. But there is a clear emphasis among both groups on Pakistan's economic woes, and a particular focus on energy. This is not surprising: Pakistan's economy is not doing well, and the energy sector is in crisis. Nevertheless, this economic primacy is not reflected in the majority of the literature on Pakistan's challenges, which tends to focus heavily on security, foreign policy and political issues (see Section 2.2 in Chapter 2).

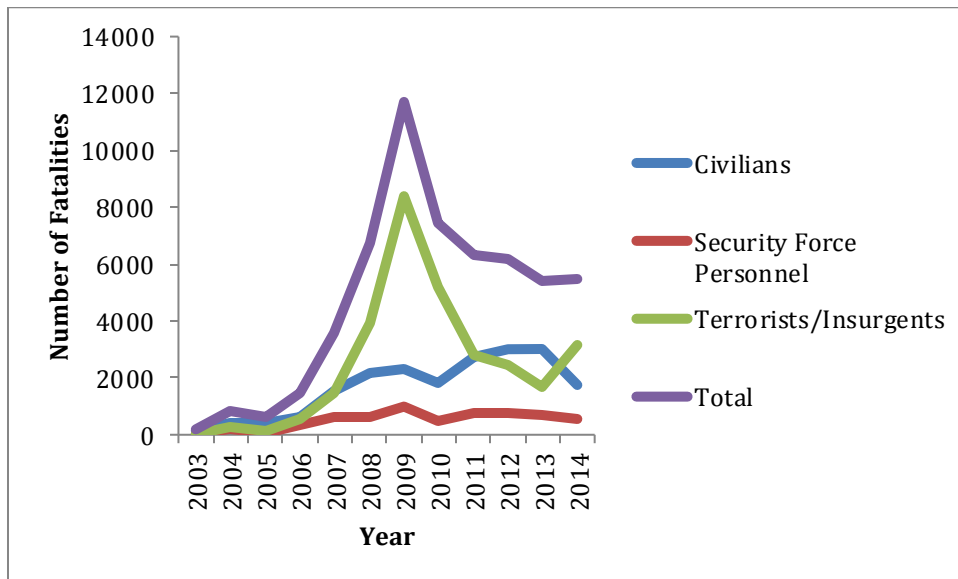
Both groups also in general give little emphasis to external challenges. More Americans than Pakistanis mention external challenges, but even among the Americans only one-third do, and among Pakistanis it is only one-fifth.

Apart from these commonalities, there are also significant divergences between the two groups of elite on what Pakistan's greatest challenges are. The Pakistani elite tends to emphasise the country's security problems, whereas the US tends to emphasise Pakistan's governance problems.

Almost three-quarters (73 per cent) of Pakistanis name a security challenge, but only around one-fifth (22 per cent) of Americans do. And only two Americans specifically name terrorism as a major challenge, whereas 11 Pakistanis do. These are significant differences, which defy conventional wisdom. As per the quote extracted earlier from General Asad Durrani, former head of Pakistan's Inter-Services Intelligence, terrorism is often perceived to be "a challenge that is made out to be big for us [Pakistan] from the western perspective" (Interview: 8 January 2013). Given the United States' policy rhetoric around countering terrorism, it is surprising that not more of the US elite consider terrorism/extremism to be a key challenge for Pakistan. I argue that there are several reasons for this difference.

The first is the difference in lived experience. From January 2011 to December 2013 (the period within which these interviews were conducted in the US and Pakistan), 17,800 people (including civilians, security force personnel and terrorists/insurgents) were killed in terrorist attacks in Pakistan (South Asia Terrorism Portal, 2014). Chart 3.1 below plots fatalities in terrorist violence in Pakistan between 2003-2014, demonstrating the large numbers of Pakistanis killed in terrorist violence since 9/11.

**Chart 3.1: Fatalities in terrorist violence in Pakistan, 2003-2014**



Data source: South Asia Terrorism Portal,

<http://www.satp.org/satporgtp/countries/pakistan/database/casualties.htm>

Pakistanis live through security-related challenges daily, and hear about them in the media constantly. As Asad Umar, a CEO and President of the Pakistan Business Council puts it: “Security affects everyday citizens of Pakistan. It is in your face, it is in your daily life and almost all over the country. All the way from Peshawar and Karachi” (Interview: 20 February 2012).

During the period of this fieldwork, there would not have been a day that went by without the media reporting on the terrorist attacks or violence occurring on Pakistani soil, including violence against ethnic minorities and violence against women. Although some members of the Pakistani elite reflect the earlier view of Lieven (2011) that extremism is being held “in check” and that Pakistan is “tough and resilient”, others express more pessimistic views. As summarised in Section 3.2.2, these include views that the security situation is weakening the economy, that it is crowding out other issues in terms of policy makers’ attention, and indeed even that is an existential threat.

Second, these views may reflect a new consensus emerging in Pakistan around the seriousness of the internal terrorist threat. Evidence for this is that it was not until January 2013, in the lead up to the May 2013 elections, that the challenges

“economy” and “terrorism” and/ or “extremism” were named by the same interview respondent. Up until January 2013 respondents may have named one or the other in their responses, but not both. This combination of “economy” and “terrorism/extremism” did not arise until the fifteenth interview conducted (in January 2013) and occurred twelve times in a cluster of twenty-six interviews from January 2013 to October 2013.

This in turn can be explained by the run-up to the federal and provincial elections held on 11 May 2013, and the related election rhetoric. Election winning party Pakistan Muslim League – Nawaz (PML-N) led by Nawaz Sharif ran on a platform of improving the economy as well as stamping out terrorism. Sharif’s campaign slogan was “Strong economy, strong Pakistan” (PML-N website, [www.pmln.org](http://www.pmln.org)). In Sharif’s first televised address to the nation in August 2013 following his election victory, he emphasised: “Alongside Kashmir issue [sic] we will have to pay attention to strengthen our economy, resolve our internal and external problems and tackle the power crisis and terrorism” (Dawn, 19 August 2013). Popular candidate Imran Khan, former Pakistani cricket star, and leader of Pakistan Tehrik-e-Insaf (PTI) vowed “to stamp out corruption in Pakistan within 19 days and eradicate terrorism in 90 days” (Express Tribune, 26 February 2012). Both the economy and terrorism were issues discussed heavily in the Pakistani media during the election campaign.

Pakistan’s frequent terrorist attacks and violent crime obviously did not get the same coverage in the United States; nor did the US elite have the same “lived experience” of terrorism. The US elite may be therefore much slower in responding to the upsurge in Pakistani terrorism than the Pakistani elite, and slower in developing a new elite consensus around the importance of the threat of domestic terrorism to Pakistan.

Third, while the US obviously has a strong focus on terrorism in general, it may be more worried about certain types of terrorism than others. In particular, terrorism that threatens US civilians and military likely rates more seriously than terrorism that does not. From this point of view, terrorism in Pakistan is not a “headline event” unless it is Pakistan or Pakistani non-state actors that are threatening the United States.

Fourth, the inverse of a greater concern among the Pakistani elite in relation to security is a relatively greater concern among the US elite in relation to domestic politics and governance. Almost as many American respondents list a governance challenge as do an economic challenge (53 versus 58 per cent), but significantly fewer Pakistani respondents highlight governance (38 per cent).

This in turn may reflect the “new” Washington consensus: that good institutions are fundamental for prosperity (Williamson in Besley and Zaghera 2005, p.45). It might also reflect US aid policy. Democratic governance is a key pillar of USAID’s engagement strategy, and “strengthening democracy and good governance” is listed second after “promote broadly shared economic prosperity” as a key goal of USAID’s overseas engagement (USAIDb 2015). The US elite’s prioritisation of domestic political and governance challenges likely reflects the US government’s integration of democracy promotion and governance into its aid programming and the associated messaging in US domestic media. In addition, given interviews with the United States elite were conducted in March 2012, more than a year before Pakistan’s federal elections in May 2013, it is understandable that US respondents were focused on the consolidation of democracy and ironing out issues between the civilian-led government and the military.

### **3.5 Conclusion**

Pakistan’s future emerges from these interviews as a “wicked problem.” In particular, as per the first of Rittel and Weber’s (1973) ten criteria for a wicked problem, there is “no definitive formulation” of the problems that ail Pakistan. Hence, the huge range of responses to this question, and the divergences across groups as analysed in the previous section. Stephen Cohen at the Brookings Institution perhaps best captures this with his response to this interview question, with which the chapter opens. US respondents are particularly divided in their responses.

Both groups of respondents in general give primacy to internal over external challenges. Some elite respondents do single out external challenges to Pakistan, most commonly mentioning Afghanistan, but that is only a minority, a third of Americans

and a fifth of Pakistanis. The majority see Pakistan's challenges through a nation-building lens.

Both groups also tend to stress the significance of Pakistan's economic challenges. This is not reflected in the majority of the literature on Pakistan's challenges, which tends to focus heavily on security, foreign policy and political issues.

The biggest difference between the two groups of elites is in the contrast between the stress on security by Pakistani respondents, and that on governance by the US respondents. The Pakistani elite stress security-related challenges almost as much as the economy, whereas the US elite places security-related challenges much further down their list of priorities. I argue that this reflects the recent upsurge in terrorism in Pakistan, and an emerging consensus in Pakistan, reflected also at the political level, that terrorism has now to be acted on, and so a shift in thinking from that revealed by Lieven (2011). By contrast, the US elite are, from a distance, perhaps slower to wake up to the domestic terrorism threat in Pakistan, are more focused on governance, a traditional priority for US aid, and, when it comes to terrorism, are more concerned about terrorism which threatens the US, and so less with Pakistan domestic terrorism.

To summarise the results found in this chapter, while there is far from a single view on what ails Pakistan, if one had to be identified, it would be, according to the Pakistani elite, that their country suffers from a weak economy and a lack of security, and, according to the US elite, that Pakistan suffers from a weak economy and a weak polity.

So much for what Pakistan needs. The next chapter examines what the US wants, and the alignment, or lack of it, between the two.

### Annex 3.1: Pakistani elite perceptions of Pakistan’s challenges – categorisation (number of respondents)

<b>Economic and Social</b>	<b>Domestic politics and governance</b>	<b>Security-related</b>	<b>External</b>
Economy (23)	Governance (6)	Terrorism (11)	Afghanistan (7)
Energy (9)	Weak institutions (2)	Security (8)	War on terror (3)
Education (3)	Survival of the state (1)	Law and order (5)	Overcommits on foreign policy (1)
Development (2)	Coordination between centre and provinces (1)	Relationship with extremist groups (3)	Aid (1)
Health (1)	Political instability (1)	Extremism (2)	India (1)
Social structure (1)	Need to focus on domestic issues (1)	Militancy (2)	United States (1)
Lack of social services (1)	Reorienting public policy (1)	Insecurity (1)	
Poverty (1)	Balochistan (1)	Radicalism (1)	
	Domestic politics (1)		
	Confusion of its identity (1)		

\* As noted in Chapter 2, Section 2.7.4, qualitative interview responses have been categorised or coded into broad headings or themes in order to do some basic quantitative analysis on the data.

### Annex 3.2: US elite perceptions of Pakistan’s challenges – categorisation (number of respondents)

<b>Economic and Social</b>	<b>Domestic politics and governance</b>	<b>Security-related</b>	<b>External</b>
Economy (9)	Institutions (5)	Militancy (3)	Afghanistan (5)
Energy (6)	Domestic political issues (3)	Extremism (3)	India (4)
Education (3)	Civil-military relations (2)	Terrorism (2)	Nuclear proliferation (3)
Growth (2)	State coherence (3)	Security (1)	Regional dynamics (2)
Demographic (2)	Deciding what the challenge is (2)		Better relations with Afghanistan and India (1)
Development (1)	Democratic consolidation (2)		US proxy war in Pakistan (1)
Tax reform (1)	National integration (1)		Relations with India and the US (1)
Fiscal stability (1)	Pakistan itself is its own biggest challenge (1)		
Water (1)	Instability (1)		
Social services (1)	Corruption (1)		
Sustainable growth (1)	Decline of military (politically) (1)		
Socio-economic (1)	Anti-Westernism (1)		
Job provision (1)	Dissolution of state authority (1)		
	State failure (1)		
	Governance (1)		

\* As noted in Chapter 2, Section 2.7.4, qualitative interview responses have been categorised or coded into broad headings or themes in order to do some basic quantitative analysis on the data.



## Chapter Four: What does the US want from Pakistan? The realist imperative

*“You have to understand why this relationship was initiated. It wasn’t about Pakistan, but for its importance to Afghanistan... The number one thing the US has wanted over the past ten years is for Pakistan to deliver victory in Afghanistan.”*

*Moeed Yusuf, United States Institute of Peace<sup>12</sup> (Interview: 14 July 2012)*

*“The US has these long-term goals in Pakistan ... the problem is, with these long-term goals, if you sit down and have a conversation with State, the military or even Congress, they will admit that we have these long-term goals, but the short-term goals are all consuming.”*

*Danny Cutherell, Centre for Global Development (Interview: 5 March 2012)*

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<sup>12</sup> Yusuf is based both in Pakistan and the US. He was interviewed in Pakistan and is included in the Pakistani elite sample for this study.

## 4.1 Introduction

This chapter examines what the US wants from Pakistan. As outlined in Chapter 1, in the decade following 9/11, the United States greatly enhanced its engagement with and assistance to Pakistan, both military and civilian. What does the United States want from Pakistan in return from all of this increased financial and political attention?

The motivation for this research question was first set out in Chapter 2. I am interested in the relative priority given to nation-building and realist objectives in US foreign aid policy. As noted in Chapters 1 and 2, little research has been conducted on the tension between these two aid objectives in the post-9/11 context.

In Chapter 3, I examined the nature of Pakistan's needs, and found clear evidence across both sets of elites that Pakistan's economic challenges are regarded as its most important. More broadly, despite some important disagreements over the relative importance of security and governance challenges, Pakistan's challenges are predominantly viewed as internal, that is, challenges of nation-building. In this chapter, I turn to the question of wants, and ask whether what the US wants from Pakistan is for it to surmount its nation-building challenges, or rather that it help the US with its realist foreign policy objectives.

As argued in Chapter 2, if Pakistan's needs are found to be of a nation-building variety, but the US wants are found to be realist in nature, this would constitute good evidence that US realist objectives have trumped nation-building ones in Pakistan, despite the effort under President Obama to give a greater weight to nation-building, especially through aid. I am also interested in whether the two sets of elites have similar views, or whether the US and Pakistan elites see things differently.

The key interview question drawn on to answer this question is: "What do you think the US wants most from its cooperation with Pakistan?" This question was posed following the question on Pakistan's challenges at the beginning of the interview.

My analysis shows that there are stark differences between what the elite think challenges Pakistan – or what Pakistan needs – and what the elite think the US wants from Pakistan. Most of the elite think of Pakistan’s challenges as economic, but of US wants as relating to Afghanistan and related external policy issues. The two elites have similar views of US wants, except that the US elite place more weight on support for Pakistan political challenges, in particular domestic political stability. I argue this is evidence that the US does indeed have nation-building goals, but that these goals are ineffectively communicated and pursued because of the difficulties faced in pursuing a partnership with Pakistan in relation to Afghanistan and the war on terror. While the two countries are in theory partners on these challenges, in practice their strategic interests diverge. As in the Cold War, so too in the war on terror, the resulting daily grind and periodic crises suck all the oxygen out of the broader relationship, and render futile US attempts to pursue broader nation-building objectives.

This chapter is organised into five sections. Section 4.2 outlines Pakistani perceptions of what the US wants most from its engagement with Pakistan, and Section 4.3 US elite perceptions. Section 4.4 compares and discusses the two sets of results, and Section 4.5 compares the results of Chapters 3 and 4. Section 4.6 concludes.

## **4.2 Pakistani elite perceptions of what the US wants from Pakistan**

The method of analysis follows that of Chapter 3. Responses are identified and then categorised using the categories developed in Chapter 3.

Most respondents named more than one want. 39 respondents gave 72 responses in total, identifying, on average, 1.8 responses per person.<sup>13</sup> Using keywords or headings, these 72 responses can be divided into 24 “headline” wants.

Table 4.1 below shows the top five issues that the Pakistani elite perceives the US wants Pakistan’s cooperation on. Above all else, the Pakistani elite think the US wants cooperation on Afghanistan, with 59 per cent (23 respondents) naming it in our

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<sup>13</sup> One member of the Pakistani elite did not respond to this question when asked it, so the sample size for this question (39) is one less than the full sample size.

discussion.

**Table 4.1: Top five US wants named by the Pakistani elite**

	Number of respondents
Afghanistan	23
Counter-terrorism	7
War on terror	7
Help the US to achieve its strategic objectives	6
Security cooperation	4

For further analysis, the 24 wants have been placed into the same categories used in Chapter 3 to group Pakistan’s challenges (see Annex 4.1). An additional “other” category is also required.

Table 4.2 below shows that, in terms of these five categories, the clear majority of the Pakistani elite believe that what the United States wants most is cooperation on external policy issues, with 74 per cent of respondents naming at least one external policy objective. One third mention a security-related objective; only a handful mention anything else.

**Table 4.2: Pakistani elite perceptions of what the US wants most from Pakistan**

Category	Number of responses	Number of respondents
	(% responses)	(% respondents)
External	46 (64%)	29 (74%)
Security-related	14 (19%)	13 (33%)
Other	5 (7%)	5 (13%)
Domestic politics and governance	4 (6%)	2 (5%)
Economic and social	0	0
<b>Total</b>	<b>72 (100%)</b>	<b>49 (125%)</b>

Note: ‘Number of responses’ denotes the number of responses within the category, and in parentheses the percentage of total responses falling within that category. ‘Number of respondents’ denotes the number of respondents who made a response falling within that category and in parentheses their number divided by the total number of respondents expressed as a percentage. The ‘Total’ row adds together the numbers in the columns above. 39 of the full sample of 40 US respondents answered this question.

The following four sections will examine each of the abovementioned categories of “want”, with the exception of the “economic and social” category, where no responses were recorded. As in Chapter 3, the categories are discussed in declining order of popularity.

#### 4.2.1 External

The most frequently named wants are within the “external” category of response, with 64 per cent of responses falling within this category. Three-quarters of respondents give a response within this category. They encompass a variety of external policy issues the US wants Pakistan’s cooperation on, including: Pakistan’s relations with India and Afghanistan, support in the war on terror, help with US strategic interests and nuclear security. Overwhelmingly though, as Table 4.1 shows, respondents who focus on external issues focus on Afghanistan. This is by far the most frequently named want, mentioned by 23 out of 39 respondents (59 per cent). While some respondents have differing views on what specifically the US wants Pakistan’s cooperation for in Afghanistan, overall there is widespread agreement that the US-Pakistan relationship has always been about Afghanistan. This view is captured in the opening quote of the chapter by Moeed Yusuf.

At a seminar in Islamabad hosted by the Sustainable Development Policy Institute entitled *Violation and Threats to Pakistan’s Sovereignty and Response* on 10 October 2011, former ISI head Lt General Asad Durrani spoke on US-Pakistan relations, with specific reference to the United States’ short-term interests in Afghanistan, and argued: “What happens to Afghanistan when wars happen? They [the US] come to Pakistan. Pakistan is Afghanistan’s strategic depth”. The irony in Durrani’s response was not lost on most of the audience, who were well versed in Pakistan’s use of Afghanistan as its own “strategic depth” against India (see Section 1.3). Durrani’s statement indicates both the significance, and the complexity of the trilateral relationship between the United States, Pakistan and Afghanistan.

Given the timing of the interviews, when the US exit from Afghanistan was a live issue, some within the elite focus specifically on the assistance the US wants from Pakistan in Afghanistan to facilitate the military withdrawal. Journalist, Khurram Husain believes: “The United States wants a face saving exit from Afghanistan, and they want Pakistan to do whatever it can to facilitate that exit” (Interview: 20 February 2012). Senator Mushahid Hussain, head of the Pakistan Muslim League-Quaid (PML-Q) and Chair of the Senate Defence Committee agrees:

“Today, what the US wants most from Pakistan is number one, to facilitate an honourable and dignified exit from Afghanistan so that there is no action replay of Vietnam or that kind of humiliation” (Interview: 24 October 2013). Ikram Seghal, Chairman of the Pathfinder Group, a firm which houses two of Pakistan’s largest private security companies, argues the United States’ desire for Pakistani cooperation in Afghanistan leaves Pakistan with a large “strategic headache”: “The US went into Afghanistan without understanding the consequences of what could happen. Now they are exiting out of Afghanistan and they are scared about what will happen after the withdrawal. There will be a vacuum” (Interview: 25 July 2013).

While there is clear recognition of the importance of Afghanistan for the US-Pakistan relationship, there is also an acceptance that this is not a topic on which the two sides see eye to eye.

Moeed Yusuf, South Asia Advisor at the United States Institute of Peace, quoted on this chapter’s title page about the overwhelming importance of Afghanistan for the US in its relationship with Pakistan, goes on to say: “The way Pakistan saw itself in Afghanistan versus how the US saw it never converged and it all came to a breakdown over what India was doing in Afghanistan. That disconnect has never been resolved” (Interview: 14 July 2012).

Imtiaz Gul, executive director at the Centre for Research and Security Studies, has a similar view:

What the US wants from Pakistan is blind compliance, including in Afghanistan, for the sake of its national security interests to the total disregard of what amounts to Pakistan’s national security interests. The US fails to take into account Pakistan’s security interests by pressing for actions to defend long-term US interests – that is why there is a lot of mistrust between the two countries, which stems from the divergence (of views) of the strategic commitment (Interview: 17 November 2011).

These arguments go back to the issue, discussed just above, of Afghanistan being Pakistan’s “strategic depth”. Because Pakistan felt it had an interest in the Taliban returning to power in Afghanistan, or at least not being wiped out, and because

Pakistan was worried about possible Indian domination in Afghanistan (note the remark by Yusuf), Pakistan was always an unwilling ally of the US in the Afghanistan war. The divergent views between the two meant that the issue continued to dominate the relationship. It could not be put behind them.

Six of the elite portray US wants in terms of help in achieving its strategic interests, a broader notion that encompasses but goes beyond Afghanistan. Asad Umar, CEO of Engro Corporation and President of the Pakistan Business Council, argues that: “What the US wants is cooperation to achieve the strategic objectives in the region. Some of which is short-term, others long-term” (Interview: 20 February 2012). Retired Brigadier A.R. Jerral considers access to energy drives US strategic interests in both Pakistan and Afghanistan, through which it wants to see a gas pipeline to supply India from Central Asia. (Interview: 19 June 2013).

Seven respondents talk about the war on terror rather than, or in addition to, Afghanistan. The war on terror is included in the external category because it is a question of foreign and defence policy cooperation with the United States and its allies. Terrorism or countering terrorism is classified as a security-related issue because it is a domestic issue requiring a domestic security response. This suggests a broader theatre than just Afghanistan, one that extends to Pakistan itself. Ayesha Siddiqa, author of *Military Inc.*, a book on the Pakistani military’s involvement in politics and business, expresses this broader view when she says: “Complete assistance and cooperation from the Pakistani Government in fighting the Taliban - also militancy in general; because we have other militants as well, who pose a threat” (Interview: 14 June 2013).

#### 4.2.2 *Security-related*

One-third of respondents mentioned a security-related want, with 19 per cent of total responses falling within this category. Responses within this category encompass a variety of modes of cooperation on mainly domestic security issues, including countering terrorism and extremism.

Half of these respondents talk in terms of countering terrorism. Others talk generally in terms of security, Salma Malik, Assistant Professor in the Department of Defence and Strategic Studies at Quaid-i-Azam University argues: “What the US expected from Pakistan was very clear-cut, all out cooperation on terrorism” (Interview: 3 October 2011). Ambassador Ali Shawaar Naqvi agrees that the US wants to “[c]ontrol terrorism and militancy” (Interview: 11 October 2011).

#### 4.2.3 *Other: Complaints about the US*

Seven responses do not fit the original four categories that were set out in Chapter 3, and are therefore placed in a fifth “other” category.

Four respondents complain in response to this question that the US wants a purely transactional relationship with Pakistan, a theme that is further developed in Chapter 6. Their suggestion is that the US will give Pakistan something (i.e. aid) in exchange for something the US wants. The elite focus is on the nature of the relationship rather than on what it is that the US wants. For example, journalist Ejaz Haider considers that what the US wants from Pakistan is “not strategic, but always transactional” (Interview: 23 August 2013). Raza Rumi, Director at the Jinnah Institute, concurs: “The Pakistan-US relationship is a transactional one, it barely begins strategic. I mean it was a bit strategic until the Cold War... At the moment, what we have is that today the US wants this, and we give this; tomorrow they want this. The day after we fight, after one week we make up, so it is up and down” (Interview: 29 May 2013).

Indeed, the rhetoric of a US-Pakistan “transactional relationship” is not only peppered throughout the elite interviews, but is also present in public discussions. At a conference in Islamabad hosted by the Centre for International Strategic Studies (CISS) entitled *Pakistan-US Divergence: Can the Gap be Bridged?*, Professor Tahir Amin, Chairman of the National Institute for Pakistan Studies at Quaid-i-Azam University spoke on the transactional relationship, and contrasted unfavourably Pakistan’s relationship with the US with that of India: “India is their [the US] long-term strategic partner, Pakistan is their short-term transactional partner” (2 November 2011).



Three of the Pakistani elite respond that the US does not know what it wants from Pakistan and/or that the US either had too many goals or had poorly defined goals. Khalid Rahman, Director General of the Institute of Policy Studies notes the uncertainty in US policy:

What is the US demanding from Pakistan? That is very confusing for me. I think that the Americans are themselves not clear on what they want... Within the American establishment there are various lobbies that have various agendas (Interview: 6 October 2011).

#### *4.2.4 Domestic politics and governance*

Only four responses related to the “domestic politics and governance” category. Responses in this category revolve around stability. Independent Member of the National Assembly, Hameed Ullah Jan Afridi, who represents the Federally Administered Tribal Areas, says: “What we know is that the US basically wants stability and peace (in Pakistan)” (Interview 31 May 2013). Senator Mushahid Hussain agrees: “The US would want a stable and peaceful Pakistan” (Interview: 24 October 2013).

### **4.3 American elite perceptions of what the US wants most from Pakistan**

The US elite was also asked what they think the United States wants most from Pakistan. 32 respondents were asked this question. This is smaller than the full sample of 40 because IFI (World Bank and IMF) respondents were not asked this question (it was felt to be outside their remit) and two bureaucrats were not asked because of time constraints. The 32 respondents gave 64 responses in total, on average, two responses per person. Ignoring only minor differences in wording, these 64 responses can be divided into 26 wants, the headings or keywords for which are shown in Annex 4.2.

Table 4.3 below shows the top six issues that the US elite perceives the US want Pakistan’s cooperation on. As with their Pakistani counterparts, above all else, the US elite think the US want cooperation on Afghanistan, with 53 per cent (17

respondents) of the elite naming this US want.

**Table 4.3: Top six US wants named by the US elite<sup>14</sup>**

	Number of respondents
Afghanistan	17
Counter-terrorism	5
Security cooperation	5
Pakistani political stability	5
Secure nuclear weapons	4
Counter militancy	4

For further analysis, the 26 wants have been placed into the same categories used in Chapter 3 to group Pakistan's challenges (Annex 4.2). An additional "other" category is also required. Table 4.4 summarises the results. As with the Pakistani elite, external wants dominate. 72 per cent of respondents name at least one external policy objective.

**Table 4.4: US elite perceptions of what the US wants most from Pakistan**

Category	Number of responses (% responses)	Number of respondents (% respondents)
External	37 (58%)	23 (72%)
Security-related	12(16%)	7 (22%)
Domestic politics and governance	8 (13%)	9 (28%)
Other	6 (9%)	6 (19%)
Economic and social	1 (2%)	1 (3%)
<b>Total</b>	<b>64 (100%)</b>	<b>46 (144%)</b>

Note: 'Number of responses' denotes the number of responses within the category, and in parentheses the percentage of total responses falling within that category. 'Number of respondents' denotes the number of respondents who made a response falling within that category and in parentheses their number divided by the total number of respondents expressed as a percentage. The 'Total' row adds together the numbers in the columns above. 32 of the full sample of 38 US respondents answered this question.

<sup>14</sup> Six wants are named here rather than five because respondents equally named the top second and fifth wants.

#### 4.3.1 External

The most popular response both within this category and overall (as per Table 4.3) is Afghanistan with over half of the elite sample (53 per cent) naming Pakistan's western neighbor as the most important motivator for US cooperation with Pakistan. Indeed, this is the only response<sup>15</sup> within the entire US elite data set that is agreed upon by the more than half of the respondents. It is unsurprising that the elite perceive Pakistan's cooperation in Afghanistan as the United States' number one priority given the protracted nature of the war, the number of US lives lost, and the sheer cost of sustaining this war for more than a decade. Generally, the US elite seek more Pakistani cooperation on the US strategy or "end game" in Afghanistan.

Unprompted, some interview respondents link Pakistani cooperation with the US in Afghanistan with the assistance package that the US provides to Pakistan. This suggests aid, civilian or military, is clearly seen as *quid pro quo* for cooperation on US goals. Two former Ambassadors who served in Pakistan make this argument. Ambassador Robin Raphel, Ambassador for Economic Assistance to Pakistan (2009-14) states that this desire for support on Afghanistan is "the reason we are giving civilian assistance". Further, Raphel argues the US is providing aid to Pakistan in order to achieve short-term goals.

In general, the US elite gives Pakistan a mixed score-card on their cooperation in Afghanistan. Shamila Chaudhary, an analyst at the New America Foundation, believes:

The US is looking for Pakistan to not be an obstacle in the reconciliation process with the [Afghan] Taliban – so don't stall peace talks, don't be a spoiler, work with us in the future to ensure that Pakistan and Afghanistan are not safe havens. On safe havens, Pakistan has cooperated a great deal on minimising the al Qaeda threat in the region. A lot of it has gone unsaid, and with the exception of the Osama bin Laden raid, they have a pretty good track record on al Qaeda, but there are still safe havens in Pakistan and militants are still going across the border (Interview: 12 March 2012).

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<sup>15</sup> To an open-ended question where non-categorical variables are the response.

Some are more critical. Professor Robert Lieber at Georgetown University argues Pakistan has been playing a “double game” with the United States in Afghanistan:

We want for the Pak’s (sic) to stop supporting terrorism in Afghanistan. Pakistan has played a very cynical game there all along, partly cooperating with the US, partly cooperating with various groups such as the Taliban, the Haqqani network and others. The key to this has to do with the pathologies of Pakistan itself, especially the quasi-independent role of the ISI (Inter-Services Intelligence Agency) (Interview: 14 March 2012).

These remarks hark back to the comments on strategic divergence made by some members of the Pakistani elite (see Section 4.2.1). Clearly, one reason Afghanistan continues to so dominate the US-Pakistan relationship is because it is not an issue easily or once-and-for-all resolved. Rather, it requires constant negotiation, and often gives rise to frustration on both sides.

While Afghanistan is the dominant external want raised, four members of the US elite mention nuclear security, three India, and a number of individual respondents name cracking down on terrorist groups. Nuclear proliferation is put forward as an enduring interest that will make Pakistan important to the US even post-Afghanistan. Marvin Weinbaum at the Middle East Institute puts forward this view:

We are concerned about nuclear, obviously. That goes to the fact that we can’t afford to walk away [from Pakistan] because the stability of the country will determine whether Pakistan is a proliferator of its weapons or technology. As long as the country is reasonably stable and the military is intact, the risk is not that great. All bets are off if the country undergoes a severe upheaval in any way (Interview: 14 March 2012).

Three of the elite note that the US wants Pakistan to have better relations with India, “Both sides clearly have an interest in seeing a less adversarial Pakistan-India relationship” (Interview, Robert Hathaway: 7 March 2012). Paul Fishstein at Harvard thinks the US wants cooperation in: “... South Asia in the broader sense, in terms of coming to an agreement with India vis-à-vis Kashmir” (Interview: 6 March 2012).

Wienbaum at the Middle East Institute believes the US wants to prevent Pakistan and India from engaging in “major conflict” (Interview: 14 March 2012).

Several of the elite also raise that the US wants cooperation to eliminate terrorist groups like al Qaeda and the Taliban from Pakistan’s territory given their long history of launching attacks on US interests in Afghanistan alongside broader cooperation in the war on terror. For example, Joshua White, from the United States Institute of Peace, considers combatting transnational terrorism to be a medium-term interest of the United States, behind its short-term interest in Afghanistan: “In the medium-term our interest would expand to Pakistan being relatively helpful in going after militant groups that have a transnational interest” (Interview: 12 March 2012).

Michael Krepon, Senior Associate at the Stimson Centre argues the US wants cooperation in the war on terror, particularly to eliminate Pakistani terrorist groups attacking the US in Afghanistan:

We want things that Pakistan does not want or cannot deliver on. We want strong efforts against those who carry out explosive attacks on Indian soil and in Afghanistan and who seem interested in carrying out explosive attacks on US soil. The government doesn’t have the capability to act on this. The military may or may not have the capability to act. It doesn’t seem to want to put itself in the position of trying and failing. So the military acts selectively against groups who turn on the military or government and not against those groups that focus their lethal fire on outsiders... The security apparatus knows that if they extend their operations beyond the Pakistan Taliban they are inviting a world of hurt. So they can’t deliver, or they don’t want to deliver. It is not clear and I don’t see it changing (Interview: 13 March 2012).

#### 4.3.2 *Security-related*

The second most frequently named wants are within the security-related category of response, with 16 per cent of total responses falling within this category. Responses within this category encompass a variety of modes of cooperation on security and countering terrorism, and combatting militancy and extremism within Pakistan.

Michael Kugelman at the Woodrow Wilson Centre argues that the US wants security cooperation, and this want is politically universal: “Whether you are talking to Democrats or Republicans, the biggest concern here is the security situation in Pakistan” (Interview: 7 March 2012).

Most of the elite simply name countering terrorism without elaborating. However, a few respondents do expand on responses linked to terrorism and extremism.

Paul Pillar, Professor of Security Studies at Georgetown believes what the United States wants most from Pakistan is cooperation on reducing the extremist threat: “Clearly highest on the US priority list now is dealing with extremists in the northwest as it affects Pakistan... and that seems to have shoved everything else further down on the list of priorities” (Interview: Paul Pillar, Georgetown University, 15 March 2012).

#### *4.3.3 Domestic politics and governance*

The third most frequently named set of wants relate to domestic politics and governance. Just over a quarter of respondents raise an issue within this category. Responses within this category include political stability, governance and strengthening democracy.

Five respondents name stability as a key priority for US cooperation with Pakistan. Many within the elite link their desire for stability with broader security goals. Robert Hathaway, Director of the Woodrow Wilson Centre’s Asia Program believes the US wants most of all to see: “A stable, democratic, reasonably prosperous country, which increasingly meets the needs of its own civilians and holds the hope for being a constructive regional neighbour and ceases being a refuge for extremists, including terrorists” (Interview: 7 March 2012).

Former Ambassador to Pakistan, Wendy Chamberlin, also links the US desire for stability in Pakistan with security goals: “We very much need them [Pakistan] to hold together as a stable country so that they don’t become a proliferator or so there is no threat that terrorists will seize them [nuclear weapons]” (Interview: 9 March 2012). Stephen Cohen at the Brookings Institution also makes the link between Pakistan’s

political stability and the threat of nuclear weapons: “When we needed Pakistan they were very good, when we didn’t need them they were very bad. That’s changed. After they tested a nuclear weapon we realised that we needed a stable Pakistan whether we like them or not” (Interview: 8 March 2012).

#### 4.3.4 *Other: criticisms of US policy*

As with the Pakistani elite, several responses did not fit any of the main four categories, and are therefore placed in this fifth residual category, which in the case of US respondents is focused on the criticisms around a lack of clarity of goals. (Recall for Pakistani interviewees, the corresponding main complaint was that the US-Pakistan relationship was too transactional.) Six American responses fall within this category.

David Speedie, Senior Fellow at the Carnegie Council for Ethics in International Affairs, sees the United States’ inability to define US priorities in Pakistan as a serious problem and links it to the US not *knowing* Pakistan: “I think the honest answer is that the US doesn’t know what it wants from Pakistan – that is the big problem. This gets to the heart of my position...we have no idea what the idea of Pakistan is for Pakistan” (Interview: 22 March 2012).

Shuja Nawaz argues that the problem is due to there being too many decision makers: I sit in Washington and talk to people regularly – the United States doesn’t have a central gravity regarding decision making on Pakistan. Nobody owns the Pakistan portfolio as far as I know in the US government today...I don’t see any concentration of decision making in the White House or in State anymore or even in DoD [Department of Defense] (Interview: 15 March 2012).

Danielle Pletka, Vice President of Foreign and Defense Policy at the American Enterprise Institute, contends: “I think you could get a different answer [to the question of what the US wants] from everyone you ask. That is why our program is so ineffective” (Interview: 13 March 2012).

#### 4.3.5 Economic and social

The least frequently named wants fall within the economic or social category of response. Only one US elite respondent, the State Department, considers that the US prioritised Pakistani cooperation on improving its economy. Representatives from the Pakistan desk at the State Department, in addition to noting that the US wanted cooperation in Afghanistan, also noted that the US wanted to see a “prosperous” Pakistan and to see Pakistan more fully recognise the provision of US development assistance (Interview: 6 March 2012).

#### 4.4 Discussion – comparing elite perceptions of what the US wants from Pakistan

Comparing Pakistani and US elite responses reveals significant similarities in how both groups view US priorities, but also some differences.

The top five or six responses from each elite group are presented in Table 4.5 below, combining Tables 4.1 and 4.3. There is considerable overlap, with Afghanistan, counter-terrorism, security cooperation and Pakistani stability being popular responses by both groups. Afghanistan is three or four times as common a response as any other.

**Table 4.5: Comparison of most popular responses**

	Number of respondents (% of respondents)	
	Pakistan	US
Afghanistan	23 (59%)	17 (53%)
Counter-terrorism	7 (18%)	5 (16%)
War on terror	7 (18%)	1 (3%)
Security cooperation	4 (10%)	5 (16%)
Help US achieve its strategic objectives	6 (15%)	0 (0%)
Pakistani political stability	3 (8%)	5 (16%)
Secure nuclear weapons	1 (3%)	4 (13%)
Counter militancy	0 (0%)	4 (13%)



Table 4.6 continues the comparison using the five-fold categorisation used throughout the chapter.

**Table 4.6: Comparing Pakistani and US elite perceptions of what the US wants from Pakistan**

Category	Number of responses		Number of respondents	
	(% responses)		(% respondents)	
	Pakistan	US	Pakistan	US
External	46 (64%)	37 (58%)	29 (74%)	23 (72%)
Security-related	14 (19%)	19 (30%)	13 (33%)	7 (22%)
Other	5 (7%)	6 (9%)	5 (13%)	6 (19%)
Domestic politics and governance	4 (6%)	8 (13%)	2 (5%)	9 (28%)
Economic and social	0 (0%)	1 (2%)	0 (0%)	1 (3%)
<b>Total</b>	<b>72 (100%)</b>	<b>64 (100%)</b>	<b>49 (127%)</b>	<b>46 (144%)</b>

Note: 'Number of responses' denotes the number of responses within the category, and in parentheses the percentage of total responses falling within that category. 'Number of respondents' denotes the number of respondents who made a response falling within that category and in parentheses their number divided by the total number of respondents expressed as a percentage. The 'Total' row adds together the numbers in the columns above.

Both groups of elite name, on average, a similar number of wants. Overall, about three-quarters of both sets of elite think that what the US most wants from Pakistan is co-operation on external challenges, typically Afghanistan.

When examining the results per respondent, shown in the second set of two columns in Table 4.6, some differences between the two elite groups do emerge, in particular in relation to the domestic political and governance category. More than three times the number of US elite (25 per cent) think that the US wants cooperation on domestic politics and governance policy issues than do the Pakistani elite (8 per cent). Clearly, Pakistan's internal challenges are important to at least some parts of the US establishment, but this is not being communicated effectively to Pakistan. This is not just a public-relations issue. Rather, the problem is that America's external and security goals have become all-consuming for Pakistan. This in turn goes back to the earlier discussion of the strategic divergence between the two countries when it comes to Afghanistan and the war on terror. In theory, they are partners, and that partnership should not exclude cooperation on, or even prioritisation of, other, domestic issues.

But in practice, the partnership is fraught, and tested on an almost daily basis. This “daily grind” makes it impossible to pursue other longer-term issues.

Danny Cutherell from the Center for Global Development captures this well. He was quoted in brief on the title page of the chapter. The full quote reads as follows:

The US has these long-term goals in Pakistan ... the problem is, with these long-term goals, if you sit down and have a conversation with State, the military or even Congress, they will admit that we have these long-term goals, but the short-term goals are all consuming. In Pakistan, the short-term narrative is that the terrorists will strike tomorrow, that is the headline and that always takes precedent when you are setting policy ... there are a series of US short-term goals – we have a big goal, and we promise a large amount of money if they help us to achieve that. We either achieve it or we don't, the issue fades and the development money goes with it (Interview: 5 March 2012).

#### 4.5 Discussion – Pakistan’s needs vs. US wants

Table 4.8 below provides a summary comparison of Pakistani and US elite responses in Chapters 3 and 4 relating to Pakistan’s needs (or challenges) and US wants, respectively. The radical disconnect between the two is shown by the simple fact that for both groups the top-ranked category of challenges is the bottom-ranked category of wants (the economic and social category) while the top-ranked category of wants is the bottom-ranked category of challenges (the external category).

**Table 4.8: Comparing Pakistani challenges and US wants by category: Which issues dominate?**

Category	Pakistan’s challenges (% respondents)		US wants (% respondents)	
	Pakistan	US	Pakistan	US
Economic and social	73%	58%	0%	3%
Security-related	65%	22%	33%	22%
Domestic politics and governance	38%	53%	5%	28%
External	20%	33%	74%	72%
Other	NA	NA	13%	19%
<b>Sample size</b>	<b>40</b>	<b>36</b>	<b>39</b>	<b>32</b>

The differences between the needs uncovered in Chapter 3 and the wants explored in Chapter 4 are stark. The economy is named only once in 71 interviews (by an American respondent) as an issue that the US *wants* or prioritises cooperation on.

It should be conceded that the phrasing of the question “What does the US want from Pakistan?” might have biased respondents in the direction of identifying realist goals. If we had asked “What does the US want *for* Pakistan?” we might have got different answers. Nevertheless, the question did not exclude the option of giving a nation-building response, as shown by the fact that some respondents did. (The US wants better economic policy from Pakistan, or more stability, and so on.) Moreover, the very striking discrepancies in results between needs and wants suggests that the answers do reveal very basic discrepancies in outlook.

#### 4.6 Conclusion

Taken together with Chapter 3, this chapter demonstrates that elite perceptions of what the US wants from Pakistan do not coincide at all with what their perceptions of Pakistan’s challenges. Despite 73 per cent of Pakistani and 58 per cent of US respondents naming an economic issue as the biggest challenge facing Pakistan, none of the Pakistani elite and three per cent of the American elite believe it is a top priority for the United States to help Pakistan to address its economic challenges. Rather the perception is that, when it comes to Pakistan, the US is mainly focused on external goals, in particular in relation to Afghanistan, even if these are not of great intrinsic importance to Pakistan itself.

Despite these commonalities, the analysis of this chapter does also reveal some differences in the views of the two elites. In particular, US respondents tend to give more importance when asked what the US wants to domestic Pakistani politics and governance.

What can we conclude from these findings relating to our research interest relating to US realist and nation-building objectives in Pakistan? The responses of the US elite support the argument that the US did have nation-building objectives for Pakistan

over the period of analysis. And indeed, without such objectives it would be difficult to explain the build-up of civilian aid over this period, and the passage of the KLB legislation. However, the findings also suggest that in practice the nation-building objectives seem to have been trumped by the realist objectives.

Looking at the responses of the elite (in particular, see Section 4.2.1) and the events of this period, it would seem that this crowding out is because of the contentious and disputed nature of the partnership between the two countries in relation to Afghanistan and the war on terror more broadly. The continual renegotiation of the relationship over these issues, the never-ending flashpoints and disputes kept the spotlight on the realist objectives and undermined the pursuit of nation-building objectives.

In the end, the results of these two chapters provide an eerily clear echo of the conclusions of Burnett writing more than two decades earlier in 1992. As quoted in Chapter 2, Burnett wrote in 1992: “The tension between long-term goals (economic self-sufficiency, democracy, social reform) and short-term Cold War goals in Pakistan became a serious drawback” (p. 9). Replace ‘Cold War’ by ‘war on terror’ and the quote serves as well to sum up this research on US-Pakistan relationships in the 2010s as it did Burnett’s of US-Pakistan relationships in the 1980s.

## Annex 4.1: Pakistani elite perceptions of what the US wants most from Pakistan - categorisation

Economic and Social	Domestic politics and governance	Security	External	Other
	Stability (3)	Counter-terrorism (7)	Afghanistan (23)	Transactional Relationship (4)
	Peace (1)	Security (4)	Cooperation on war on terror (7)	Needs long term policy (1)
		Compliance on security issues (1)	Help US achieve its strategic objectives (6)	Not clear (1)
		Delink from terrorist groups (1)	Pakistan to have good relations with India (2)	Varies a lot (1)
		Reconciliation with Taliban (1)	Access to Afghanistan and Central Asia (1)	
			Access to logistics supply line (1)	
			Break away from China (1)	
			Stable partnership with the US (1)	
			US violates Pakistan's sovereignty (1)	
			Counter Iran (1)	
			Pakistan to be stabilising influence in the region (1)	
			Military cooperation (1)	
			Secure nukes (1)	

\* As noted in Chapter 2, Section 2.7.4, qualitative interview responses have been categorised or coded into broad headings or themes in order to do some basic quantitative analysis on the data.

## Annex 4.2: US elite perceptions of what the US wants most from Pakistan – categorisation

<b>Economic and Social</b>	<b>Domestic politics and governance</b>	<b>Security</b>	<b>External</b>	<b>Other</b>
Prosperity for Pakistan (1)	Stability (5)	Counter-terrorism (5)	Afghanistan (17)	US doesn't know what it wants (2)
	Strengthen democracy (2)	Security (5)	Better relations with India (3)	Not clear (2)
	Governance (1)	Counter militancy (4)	Secure nuclear weapons (4)	Too many goals - would get a different answer from everyone you ask (1)
		Extremis m (1)	Regional security and stability (2)	US conflicting goals (1)
			Better relations with India and Afghanistan (1)	
			Cooperation on war on terror (1)	
			Recognise US aid (1)	
			Catch Taliban (1)	
			Pakistan to cease relations with Taliban (1)	
			Eliminate terrorist safe havens (1)	
			Cooperation to use drones (1)	
			Catch al Qaeda (1)	

\* As noted in Chapter 2, Section 2.7.4, qualitative interview responses have been categorised or coded into broad headings or themes in order to do some basic quantitative analysis on the data.

## Chapter Five: Aid leverage: the frozen spigot?

*“Aid assistance of any kind gives leverage...most of the US agenda related to Pakistan is always security in nature and the leverage the US demanded was mostly in the security field. It has been the case through and through.”*

*Simbal Khan, Institute of Strategic Studies Islamabad (Interview: 11 July 2013)*

*“Conditionality usually makes the donor feel good...there are people who think we can buy [leverage in Pakistan], but we are lucky if we can rent. You should not provide assistance on the argument you are building leverage, you will be disappointed in most cases, certainly the Pakistani case.”*

*Bruce Riedel, Brookings Institution (Interview: 14 March 2012)*

## 5.1 Introduction

This chapter examines the United States' use of aid to get leverage in Pakistan. As outlined in Chapter 1 (see Section 1.3.3 and Figure 1.1), post 9/11 the United States has greatly increased the size and scope of its foreign aid program to Pakistan. Some of this aid, in particular the military aid, has had explicit conditionality attached to it. The United States also supports the efforts of multilateral institutions such as the IMF and the World Bank to negotiate economic reform packages with Pakistan. But do these conditions work?

The period of time during which this research was conducted was significant in the US-Pakistan aid relationship. As discussed in Chapter 1 (Section 1.5), in 2009 the Obama Administration announced the passage of the Kerry Lugar Berman (KLB) Bill or the Enhanced Partnership with Pakistan Act. The KLB package promised US\$1.5 billion annually for five years for civilian aid to support Pakistan's economic and social development. This was a significant shift in US policy, which to date had primarily focused its aid relationship on the military.

US aid leverage has normally been directed to security and foreign policy goals. As noted in Chapter 1, aid conditions have been more often applied to military rather than civilian aid. However, the Congress also imposed various, typically security-related conditions on its annual appropriation of KLB funds. Moreover, the US supports multilateral efforts to aid reform in Pakistan, in particular through the IMF and World Bank, as noted in Section 1.5. As noted in Chapter 1, Pakistan has participated in a number of IMF programs.

Ahmad and Mohammed (2012) note that all but one of the IMF programs Pakistan has participated in were initiated upon the cessation of US bilateral assistance and sanctions. Ahmad argues the various IMF programs failed to bring about reform. He notes that "all programs, barring one, failed in meeting the macroeconomic targets and were aborted. Only one was "concluded" satisfactorily and that too because of the influx of US assistance, reinstated after 9/11" (p. 11). On the most recent 2008-11 IMF program, Ahmad notes that it:



... permitted loans of US\$8 billion, or more than twice as much as was purchased in the entire 20-year period since 1988. This mega program only had two conditions – fix the VAT to reverse the slide in domestic resource mobilisation and ensure the independence of the central bank...The failure of these conditions does not say much for the true “ownership of the program”. It also does not say much for the continued involvement of the IMF (together with the World Bank) in ensuring structural reforms, or reducing vulnerability of the country to external shocks or domestic “meltdowns” (2012, p. 10)

As noted in Chapter 2 (see Section 2.4), there are a number of studies on the impact of aid conditionality, with most concluding that conditionality does not work, or has a limited impact upon leveraging policy change (Devarajan, Dollar and Holmgren 2001; Killick 2004). Of particular relevance to this study is the analysis of Burnett (1992). As noted in Chapter 2, Burnett likens aid to water flowing through a spigot (or tap), and argues that if a country is perceived to be important by the US, then “the spigot is frozen in the open position” and “the influence the United States derives from the aid sinks close to zero.” Burnett also argues based on his Cold War research that if the donor is pursuing multiple goals, and some are viewed as “vitally important” then “leverage is destroyed relative to the other goals.”

Testing these two arguments of Burnett is the aim of this thesis.

I begin with a preliminary question, asking respondents about whether US aid to Pakistan, specifically the KLB aid, should have conditions attached. Second, to get at the frozen spigot issue, both groups of elite were asked: “Do you think the United States’ aid program achieves any leverage over Pakistani policy?” To delve deeper into Pakistani elite perceptions, I asked this group if the leverage was in relation to foreign and security policy and/or domestic and economic policy. Third, I asked both groups of elite specifically about economic conditionality. Since this is not a particular feature of US aid, the question was asked in more general terms: “Does conditioned aid or loans from bilateral and multilateral donors bring about economic policy reform in Pakistan? Can you provide examples of success?”

To anticipate the findings, both countries' elite generally agreed that aid should have conditions. This does not mean that they necessarily like it, or think it works, but they generally view the presence of conditions as an inevitable part of aid. Interestingly, views differ on whether the aid spigot is frozen in the open position, with the US elite generally arguing that it is, and the Pakistani elite generally arguing that it is not. I resolve this discrepancy in views by noting that the spigot is only partially frozen, and that both sides focus on their frustrations: the Pakistani elite that the US is able to buy some influence through its aid, the US elite that it is not able to buy more. Finally, views on the efficacy of economic conditionality are evenly divided within both groups. More think it has no effect than some, and one dominant reason given is precisely that the credibility of economic conditionality is undermined by US strategic considerations.

This chapter is organised into five sections. Section 5.2 examines Pakistan and US elite perceptions of the appropriateness of conditionality on US aid to Pakistan. Section 5.3 analyses elite opinion of the efficacy of conditionality in general, and Section 5.4 focuses on economic conditionality. Section 5.5 discusses the results of this chapter and Section 5.6 concludes.

## 5.2 Elite perceptions of the appropriateness of conditionality on US aid to Pakistan

Both groups of elite were asked in the context of the 2009 Kerry Lugar Berman aid bill if they thought US aid to Pakistan should have conditions attached. Table 5.1 below summarises responses.

*Table 5.1: Attitudes of the elite towards imposing aid conditionality on US aid to Pakistan*

	Pakistan (number of respondents (%))	United States (number of respondents (%))
Conditions should be imposed	21 (64%)	23 (79%)
Conditions should not be imposed	12 (36%)	6 (21%)
<b>Total</b>	<b>33 (100%)</b>	<b>29 (100%)</b>

33 Pakistani respondents were asked this question. Seven respondents were not asked this question because, as discussed in Section 2.7.1, interview questions put to Pakistani respondents were changed slightly following US field work. 29 US elite were asked this question. Four respondents from the IMF and World Bank and three bureaucrats were not asked this question given it is the policy of their employer to impose conditions on foreign aid. Two additional participants were not asked due to time constraints.

The table shows that almost two-thirds of Pakistani respondents and almost four-fifths of the US elite believe US aid to Pakistan should have some form of conditionality attached. Both sets of responses are examined in detail below.

### *5.2.1 Pakistani elite views*

At first glance, this result that two-thirds of the Pakistani elite support the imposition of conditions on US aid is surprising in view of the general dissatisfaction reported in the Pakistani media of the United States' engagement in Pakistan. During my period of research, front page headlines in the English language media brimmed with dissatisfaction: "America stabs Pakistan in the back, again" (The Nation, 12 November 2011, p.1), and "Obama braced for Pak battle" (The Nation, 5 May 2011, p.1). Much reporting on the KLB Bill in the Pakistani press in late 2009 expressed concern over the level of conditionality attached to the Bill. For example, Dawn newspaper reported that the military had "serious concerns" on some of the clauses of the bill that they believe would affect "national security" (Dawn, 8 October 2009, online edition). Many of country's elite often express public disapproval towards aspects of US engagement in Pakistan, across both aid and security spheres. For example, the military responded sharply to conditions imposed on the Kerry Lugar Berman aid package, with the New York Times reporting the Pakistani Army's anger towards the conditions in the package, saying it "interfered with Pakistan's national security" (Perlez and Khan 2009).

Despite this public anger, only about one-third of Pakistani's elite is opposed to US aid conditionality on aid to Pakistan. There are three key reasons cited by those who

oppose aid conditionality. The first is that conditionality violates Pakistan's sovereignty. Journalist Zahid Hussain argues:

Some clauses [in the KLB Act] were unnecessary, like civilian control of the military.<sup>16</sup> This is a very stupid thing to say because even if both of the political parties would like to have control, when it comes from outside, what the hell are you doing? This policy of trying to divide the two sides, that was very stupid. Policy to divide military and civilian leadership can't come from the US; it is up to the people of that country" (Interview: 5 June 2013).

Similarly, Senator Mushahid Hussain from Pakistan Muslim League-Quaid party (PML-Q) and Chair of the Senate Defence Committee argues: "Aid shouldn't have security preconditions. That is unacceptable and they're too intrusive. That is interference in our internal affairs. They [the US] have no business meddling in our armed forces or our security system" (Interview: 24 October 2013).

Second, the imposition of conditionality is seen as contrary to the humanitarian nature of aid. Retired Brigadier, AR Jerral uses an analogy to explain his perspective: "Aid is aid – I need food, and somebody comes and gives me food, because, this is aid. But if he comes and says *I'll give you a piece of bread, but you have to go and kill that guy*, it's not aid. Whether the US sees it from our perspective or not, I don't know" (Interview: 19 June 2013).

Third, the argument is made that US aid is in fact compensation to Pakistan for the costs it has incurred in the war on terror. As compensation, rather than a gift, and moreover as inadequate compensation at that the funds should come without conditions. Ambassador Ayaz Wazir argues: "I think we have incurred more than \$80 billion in this war on terror – and how much have we received? Comparing the two is peanuts" (Interview: 20 February 2013).

This is a key theme. In several interviews, the elite argue that Pakistan's terrorism problem can be traced back to Pakistan agreeing to fight the war on terror with the United States, and therefore it should be financially compensated through the civilian

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<sup>16</sup> KLB required the Secretary of State to submit reports to Congress on, among other issues, the degree to which Pakistani's civilian leaders exercised effective control of the military (Markey 2013, 141).

and military aid program for the loss of life, heavier security requirements, and economic hardship suffered by Pakistan. For example, Khalid Rahman of the Institute of Policy Studies, argues that the war on terror:

... has created a situation in which you can't expect the economy to run smoothly. For all practical purposes, for the last ten years, we have been fighting a war. The US has bought the war from Afghanistan to Pakistan... When there is a war, you can't take long-term measures for development. You have to focus your resources and energy towards the war because it is the most immediate threat to you... When it comes to losses the country has faced – in terms of human life and economic deficiencies – they are huge... And we get \$10-15 billion along with payment for services provided. It is ridiculous to say that America is giving aid to Pakistan (Interview, 6 October 2011).

The importance of the view that sees aid as compensation is discussed further in Chapter 6, where it is shown to be one reason why aid has not been successful in winning hearts and minds in Pakistan.

Despite their popularity in the media, such views disparaging the use of conditionality are expressed only by a minority of the Pakistani elite. Almost two-thirds of the elite think that the US should condition its aid to Pakistan, arguing either that it is inevitable or that will help Pakistan along the path of reform – a path it would otherwise be unlikely to achieve on its own.

Within the first group – those who believe conditionality is an inevitable part of aid – Lieutenant-General Talat Masood, who served in the Pakistan Army for over 40 years, says:

I think we would very much like not to have conditions, but I don't think any country gives assistance without conditions. Pakistan has to accept the reality if it wants to receive assistance, so it is up to them to take it or leave it (Interview: 28 May 2013).

Bilal Mehboob, Secretary-General of the Pakistan Institute for Legislative Development and Transparency agrees it is a donor country's "right" to attach conditions:

A country which is making a sacrifice, and making taxpayers money available to another country, are [sic] well within their rights to make it expressly clear their expectations from the people who receive that money (Interview: 29 May 2013).

Those who made this argument tend to qualify it to complain about excess conditionalities. For example, politician Dr. Tariq Fazal Chaudhary says: “They have the right to see aid is given to projects where they really want to give. But if there are a lot of strings attached, definitely the people and the government will not feel comfortable” (Interview: 31 May 2013).

Within the second group, several in the elite advocate for conditions to be attached to aid in order to get Pakistan to pursue reform. Dr. Farooq Sattar, head of the political party Muttahida Quami Movement (MQM), wants conditions on aid in order to stamp out corruption:

One thing that affects any assistance or aid that comes from abroad is corruption in the federal and provincial governments and in the bureaucracy... I would press for some conditionalities, either direct or indirect... [If there are no conditionalities] the ruling elite will get off scot free if they are not kept in check or under some kind of pressure. Conditions allow them to reform and transform Pakistan and to optimally use the assistance which is coming from outside (Interview: 23 January 2013).

### 5.2.2 *US elite views*

The US elite are even more supportive of the use of conditionality than their Pakistan counterparts, with almost 80 per cent responding positively to this question, compared to less than two-thirds of Pakistanis.

The US policy elite gives three key reasons why conditions should be attached to US aid: conditions are an essential or inevitable part of aid; distrust of Pakistan; and domestic sentiment towards Pakistan.

First, aid conditionality is viewed by several of the US elite (as it is by several of the Pakistani elite) as an essential part of any aid program and a necessary check and balance on the aid recipient to ensure aid is used in a transparent way, consistent with US objectives: “The US needs to use some sort of conditions so our aid is not just a blank cheque” (Interview: political staffer, March 2012).

Second, part of the desire to see conditions on aid to Pakistan stems from the United States’ distrust of Pakistan. There is a strong perception among the elite that the United States cannot trust Pakistan. While much of this “trust deficit” is completely unrelated to the aid program, broader perceptions of the relationship matter. US mistrust in Pakistan has grown steadily in the years following 9/11, with perceptions of double-dealing, unreliability and “spoiler” actions affecting both the civilian and military aid programs. Michael Krepon from the Stimson Center, a think-tank focusing on global security, argues, “so much has happened now [between the United States and Pakistan] that the notion of aid without conditions is inconceivable” (Interview: 13 March 2012).

Third, the policy elite made it clear that conditions are essential for domestic reasons: “Conditions are supposed to be for the New York Times and that level, and for the US public as well. It is for domestic consumption” (Interview: S Akbar Zaidi, Columbia University, 22 March 2012). Even some who are otherwise opposed to conditions concede that “politically you can’t get away from it [conditionality]. It is where public chest beating has its impact on policy” (Interview: Walter Andersen, Johns Hopkins University, 6 March 2012).

The question put to the policy elite concerned conditionality in general and did not explicitly ask respondents to provide views on either type of conditionality. Nevertheless, it was clear from responses that there was particular support for security conditionality.

Civilian assistance should not be subject to certification [conditions]... though it is important to have certification [based on conditionality] on military aid – it averts a lot of public relations disasters ... it is either the Pakistanis are being supportive in the war on terror or they are not. If not, then we should call a spade a spade and say you aren’t getting any of this military financing or

assistance. That is entirely reasonable (Interview: political staffer, March 2012).

Michael Kugelman at the Woodrow Wilson Centre has a similarly strong view towards security aid: “[W]e have the right to attach conditions to security-related aid because there are very specific goals that we want this military aid to be used for” (Interview: 7 March 2012). Some respondents recall the misuse of US military aid in the early 2000s, when the Pakistan military used aid to build up conventional forces and weaponry at the expense of the intended objective of improving Pakistan’s ability to militarily undertake counterinsurgency operations.

A smaller number of the policy elite (21 per cent) argue that aid should be given without conditions. Respondents contend that the conditions imposed on US aid to Pakistan are counterproductive for three reasons: they exacerbate distrust and undermine relations between the two countries; they are for a domestic audience rather than for Pakistan; and they are mostly unrelated to development objectives.

On the issue of trust, while some (quoted earlier) argue that conditions are necessary because the US cannot trust Pakistan, others within the elite argue that conditions exacerbate distrust in the relationship and have become counterproductive.

Pulitzer Prize winning author Steve Coll, President of the New America Foundation argues: “Given the trust deficits and the high stakes – the prospect of Pakistan’s success or failure – I think it would be better for the US not to give aid than to give it with a course of conditions” (Interview: 13 March 2012). Paul Pillar, a Professor of Security Studies at Georgetown and a 28-year veteran of the Central Intelligence Agency, echoes this sentiment, linking the imposition of conditionality as a signal that the United States cannot trust Pakistan: “Explicit conditions are always seen on the other end, particularly the Pakistani end, as kind of an insult ” (Interview: 15 March 2012). Andrew Wilder of United States Institute of Peace agrees: “The process of developing and enforcing conditionality is a huge irritant” (Interview, 13 March 2012).

Second, some respondents are critical of the fact that conditions appear to be imposed for domestic US reasons. Shamila Chaudhary disagrees with the imposition of



conditionality, yet notes conditions are difficult to get away from: “Conditions are a symbolic gesture that came from Congress – we have been giving you [Pakistan] a lot of money and have overlooked a lot of things, but we are fed up with certain issues and we are putting these conditions in here because we want you to know that we are watching you, so you should moderate your behavior” (Interview: 12 March 2012).

Third, some are critical of US conditionality design, and of links to security rather than development objectives. Steve Coll at the New America Foundation argues that:

Conditions that associate the release of aid with performance by other sectors of government other than those targeted to receive it right now are so counterproductive that coercion is not going to be achieved. The resentment that it will engender will be greater than any benefits that would come from delivering aid set along those conditions (Interview: 13 March 2012).

Shuja Nawaz at the Atlantic Council agrees: “All aid has to have conditions, but the conditions should relate to the effective use of aid and not to extraneous factors” (Interview: 15 March 2012). Danny Cutherell from the Center for Global Development argues that the imposition of security conditions on economic aid sends a signal that: “Development is always going to be about just one more way to convince a country to do what is in the United States’ short-term interests. That precludes doing good development work...Security conditions on economic development are pointless, and it is just clarifying the fact that this [aid] is a bribe” (Interview: 5 March 2012).

In general, both sets of elites are generally supportive of the imposition of conditionality, viewing it as part of the reality of aid (a necessity) and perhaps as something that could be helpful.

But does conditionality work? The following two sections will examine elite perceptions around aid and leverage.

### 5.3 Elite perceptions on aid’s ability to leverage policy change in Pakistan

Following my discussion with the elite on the appropriateness of conditionality, I turned the focus towards aid’s ability to achieve policy leverage in Pakistan.

Table 5.2 below shows that the Pakistani and US elite have significantly different opinions when it comes to aid’s ability to achieve leverage. Their respective views are discussed in the two sub-sections following.

All 40 of the Pakistani sample were asked this question. 31 of the US sample were asked: four IFI respondents and one USAID respondent were not asked this question given sensitivities; two members of think-tanks were not asked this question due to time constraints.

**Table 5.2: Does US aid to Pakistan achieve leverage over Pakistani policy?**

	Pakistan (number of respondents (%))	United States (number of respondents (%))
Yes	37 (93%)	8 (26%)
No	3 (7%)	23 (74%)
<b>Total</b>	<b>40 (100%)</b>	<b>31 (100%)</b>

This section explores policy leverage in general. (I did ask the Pakistani, but not the US elite for their thoughts on the type of leverage US aid provided, and whether it was more in relation to international or domestic policy.)

#### 5.3.1 Pakistani elite views

Table 5.2 above shows almost all of the Pakistani elite believe aid gets the American’s some sort of influence over Pakistan’s policy making: there are only three dissenters to this proposition out of 40 interviewees.

Most of the elite think that this leverage is primarily in relation to foreign/security policy in Pakistan and in particular in relation to the military. This is for several reasons. First, the military is what the US really cares about: “The United States’ objectives in the region are military. There are no other objectives...” (Interview: Dr. Zafar Jaspal, Quaid-i-Azam University, 10 October 2011). Likewise, think-tank

analyst Simbal Khan argues: “[M]ost of the US agenda related to Pakistan is always security in nature and the leverage the US demanded was mostly in the security field. It has been the case through and through” (Interview: 11 July 2013).

Second, there is a perception that military aid is much bigger than civilian aid and therefore more influential. As Figure 1.1 in Chapter 1 shows, this was certainly true for the early post 9/11 years when military aid was about two-thirds of the total, though from 2010 onwards the share of was typically slightly more than half. However, the perception of an aid program heavily skewed to the military remained. Aid consultant, Safiya Aftab says: “The size of military aid is huge compared to what comes in for civilian areas. I would assume they are getting some bang for their buck for that otherwise why would they be doing that much spending?” (Interview: 17 July 2013).

Third, the military is perceived as being dependent on US aid. Raza Rumi, Director of Policy at the Jinnah Institute, argues the US achieves leverage because of this:

The real leverage of aid is all in the military. That, I repeat, is a fact. The military says *we are proud, we don't need anybody's aid*, but that is a public statement and in reality they are dependent on the US. This mutual dependence of Pakistan and the US military is not new – it's been there since the 1950s when the US wanted Pakistan to be a frontline ally in the Cold War... The unfortunate side of history is that the three longest dictatorships in Pakistan were completely backed by the US because all three of them were serving the United States' strategic interests: Ayub Khan in the Cold War, Zia ul Haq in the Afghan Jihad and Pervez Musharraf in the war on terror. It is a coincidence or something more? (Interview: 29 May 2013).

Fourth, the US exercises military leverage not only through aid but through intensive relationships at the leadership level. Khalid Rahman, head of the conservative think-tank, the Institute of Policy Studies, contends:

It is difficult for the military leadership to define a clear policy in the interests of the country... Mike Mullen [US Chairman of the Joint Chiefs of Staff] had 27 meetings with General Kayani in two years. 27 meetings. I think

Mike Mullen might not have had as many meetings with his own Generals on a one-on-one basis (Interview: 6 October 2011).

Some within the elite argued that this military leverage translates into broader policy leverage because of the influence of the military in Pakistan: “The leverage is definitely over the military, and the military has leverage over public policy. So they have so far used the military to leverage everybody else.” (Interview: Shafqat Mahmood, Politician, 4 June 2013). Ambassador Ayaz Wazir also thinks domestic and foreign policy are closely linked: “You can’t have an exclusive foreign policy, if you have an influence in one, it influences other parts of policy. Influence is large on both the civilian and military establishment.” (Interview: 20 February 2013).

Businessman (now PTI politician) Asad Umar, CEO of Engro and Chair of the Pakistani Business Council, argues leverage is mostly economic, and this leverage is hurting Pakistani interests:

The leverage is on economic interests. Even where economic interests clash, they clash for political reasons. Energy is the best example – the Iran pipeline. It is patently in the interest of Pakistan, and Pakistan is being punished by it not being built. This is the kind of thing that goes against this whole idea of hearts and minds. *I love you, I want your economic well-being and yes, energy is the biggest crisis you have. I am going to help you revamp two turbines in Ghudu which will have an economic impact of about this much* (indicates small amount) *and I will fight tooth and nail to ensure that the best source of imported energy you can have [from Iran], which will have an impact this big* (indicates large amount) *will never happen.* So on purely economic issues, it is always the old hat of politics where the problem lies... US foreign policy in the region has created conditions, which can lead Pakistan into serious trouble. Not because they [the US] have a desire to destroy us, but because they are pursuing their own strategic interests. Pakistan needs to say thank you, but we don’t want your aid. That would mean giving up their perks and privileges and going through fundamental reform, which the elites are not ready to do (Interview: 20 February 2012).

The Iran-Pakistan gas pipeline has been a contentious issue between Pakistan and the United States, particularly given the United States' hardline stance towards Iran, and the significant economic sanctions it imposes. In 2010, it was reported that US Special Representative for Afghanistan and Pakistan, Richard Holbrooke, met Pakistani Petroleum Minister Syed Naveed Qamar and asked if Pakistan would abandon its pipeline accord with Tehran in exchange for extensive American energy assistance (Gas and Oil Connections 2010).

Despite these possible spillover effects, many nevertheless felt the leverage was greater in military areas. Gandapur, for example, argues that the US has no domestic policy leverage: "It is [leverage in] military policy of course. Americans have the muscle to influence our [military] policy...when it comes to economic policies, frankly, USAID is not influencing us" (Interview: 19 June 2013).

Some had more subtle views of leverage going beyond funds and conditions. Former Chief of Army Staff, General Jehangir Karamat notes the US has achieved a level of influence through their military training programs: "The influence is there though because we have all trained in the US. I was in Fort Knox and Leavenworth and [General] Kayani was in Leavenworth. Most of us have had our education in the United States, in that sense the lobby is there and it is pro-US and it is helpful" (Interview: 4 May 2012).

Politician Ayaz Amir sees the influence of the US as one of incubating ideas for reform in Pakistan: "[It achieves leverage on] economic policy. What USAID does, above all, it doesn't help set up projects or doesn't raise any sky scraping towers, in fact, and it gives the US a kind of intellectual ascendancy. Pakistani officialdom doesn't start mouthing or parroting the same phrases, but it starts recycling the same ideas. Economic policy has been affected by this" (Interview: 5 February 2013).

Moeed Yusaf, from the United States Institute of Peace, is less convinced: aid gives certain ideas a hearing, but doesn't guarantee that they will prevail: "Civilian aid to Pakistan opens the door for the US. It buys them a conversation. But if you take away the aid, you essentially signal that you are no longer interested. But keeping the aid will not do much more than buy a conversation" (Interview: 14 July 2012).

Not all of those who thought that aid gives the US leverage are happy with this fact. Ambassador Ayaz Wazir, quoted earlier, goes on to say: “If you can influence another, you would love to influence it. But the fault lies with us and not with them. We have to correct ourselves. People would love to buy us, and we are available for sale.”

A small group of the policy elite (just three individuals or 7 per cent) dissents from the majority and argues aid from the United States does *not* achieve any leverage over Pakistan’s international or domestic policy. They appeal to experience, to limited US aid volumes, and to Pakistan’s powerful negotiating position.

Imtiaz Gul, author and head of the Centre for Research and Security Studies, argues that history teaches us that aid doesn’t give the US leverage:

If you look at military aid, and if it was a tool to buy leverage, then the Pakistani military would have long ago gone into North Waziristan, but they haven’t. If it were a tool, the Pakistan Army would have long ago severed its contacts with the Haqqani Network and Lashkar-e-Taiba, but it hasn’t... It is not like the US can give them \$10 billion and they will change overnight (Interview: 17 November 2011).

Journalist, Khurram Hussain, argues that US civilian aid is too small and its military aid too unimportant to achieve leverage for the United States in Pakistan:

The amount of civilian aid being dispersed is so small that it doesn’t give them any serious leverage. No one takes the threat that the US will cut off civilian aid very seriously. Regarding military aid, because the army has privileged access to fiscal resources, if the US were to cut off some amount of coalition support funds, the army is able to replenish that amount from the domestic exchequer for national security reasons. Therefore, the army is not as responsive to threats to cut off external aid as the Americans would like (Interview: 20 February 2012).

Senator Mushahid Husain argues that Pakistan has the upper hand: “The US has very little leverage in Pakistan. They try. For seven months, Salala was closed,<sup>17</sup> what could they [the US] do? Where was the leverage? The US needs us more than we need them for the next two to three years. Without Pakistan, they will not have a dignified, honorable or peaceful exit from Afghanistan” (Interview: 24 October 2013).

### 5.3.2 *US elite views*

Quite in contrast to the Pakistani views, three-quarters of US elite respondents consider that the United States is unable to exert any kind of leverage over Pakistani policy-making. Five key themes emerge to explain the limitations of US leverage: the divergence in strategic objectives between the two countries; the credibility of US demands; the number of and conflict between US goals; the size of the US aid program; and Pakistani leverage.

Concerning the divergence in strategic objectives, the view put most frequently by the elite for the failure of US aid to achieve leverage is simply that the issues where the US is asking for change are perhaps just too important for Pakistan to change position on. The aspect of Pakistan’s behavior and outlook that the US most frequently tries to influence relates to how it views India and Afghanistan, and its use of extremist networks in both countries to maintain its interests. For example, Pakistan has been accused of providing safe havens for groups who have attacked American and coalition troops in Afghanistan. Ending such behavior is specifically listed as part of the conditionality attached to the KLB aid package: “Ceasing support...to any groups that has conducted attacks against United States or coalition forces in Afghanistan” (Enhanced Economic Partnership with Pakistan Act, 2009). But, as discussed in Chapter 1, Pakistan has deep strategic interests in working with the Taliban in Afghanistan. The US policy elite recognises this, and does not think that the US could change the strategic calculus or “red lines” for Pakistan through its aid program with any lasting impact: “We can’t leverage change. The idea that we could change Pakistan’s concept of its national interest seems to me like the least realistic thing that

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<sup>17</sup> Following the NATO attack that accidentally killed 24 Pakistani soldiers in Salala, close to the Afghan border, Pakistan shut the NATO supply lines through Pakistan for seven months.

could happen” (Interview: Polly Nayak, 15 March 2012). Bruce Riedel echoes this sentiment: “If we think that the threat of removing aid is going to compel good behavior then people haven’t read the history of US relations with Pakistan” (Interview: 14 March 2012).

Second, some believe that the US is not credible and that this undermines its leverage. Danielle Pletka from the American Enterprise Institute argues: “It is only leverage if they understand you clearly and if you mean it. And of course they [Pakistan] don’t understand us and clearly we don’t mean it. We have lost our leverage” (Interview: 13 March 2012).

US policy decisions give weight to these views. For example, in October 2012, US Secretary of State, Hillary Clinton, issued a waiver on conditionality on military aid to Pakistan. This waiver allowed US\$2 billion of aid to continue to flow, which otherwise would not have given Pakistan failed to meet certain counter-terrorism requirements outlined in the Kerry Lugar Berman Bill. The waiver was issued on “national security” grounds (Murphy 2012). Whether or not it was justified, the issuance of such exemptions certainly undermines the potency of the conditionalities in place.

Credibility, and therefore leverage, is also undermined by the fact that the US is seen to be unable to make a long-term commitment. Many hoped that the KLB aid, and its focus on building a relationship between governments and civilian institutions, would help to normalise the relationship. As Shamila Chaudhary explains, the belief was that “if we can just focus on development issues, then Pakistan will cooperate with us on all of these difficult security issues – CT, Afghanistan.” But, as Chaudhary explains, this was a misplaced hope. “[I]t just didn’t work. For Pakistanis it was not quid pro quo, it was another way to get more out of the US and a short-term relationship they knew would end one day” (Interview: 12 March 2012).

Third, there is a perception that the United States has too many goals in Pakistan. This has had an impact on the United States’ credentials as an aid donor and on Pakistan’s ability to prioritise, given the goal posts keep shifting:



KLB doesn't get leverage because we ask so much of the Pakistanis on so many fronts. If we only had one thing to ask of the Pakistanis and we used KLB as one of the carrots then it might be more effective. Our needs and desires for Pakistan are so many that it serves to diminish the efficacy of any single instrument of US power...Civilian assistance has had very little impact in improving the relationship, or diffusing anti-Americanism, or otherwise supporting US objectives (Interview: Robert Hathaway, Woodrow Wilson Center, 7 March 2012).

Not only are there many goals, but they are conflicting. Shamila Chaudary at the New America Foundation argues that:

There was pressure from Washington to focus on the hot issue of the day and using aid money for that, it rendered USAID's ability to support reforms ineffective. Overall, the program itself [KLB] and the level of money was too intrinsically attached to the CT (counter-terrorism) campaign and Pakistan's cooperation. When everything hinges on that you can't really do anything sustainable by the way of reform (Interview: 12 March 2012).

Fourth, the United States does not actually give Pakistan that much aid. While the United States is the largest bilateral donor to Pakistan, civilian aid works out to around 800 rupees per capita (around US\$7.80). A political staffer argues that: "[U]sing aid as leverage is not ever going to work. We don't give them that much money" (Interview: March 2012). Andrew Wilder, Director of the Afghanistan and Pakistan programs at the United States Institute of Peace, agrees and references the military aid program: "The billion dollars is not a lot of money to get Pakistan's military to change its security calculus. It is naïve to think that trinkets are going to make the natives behave" (Interview: 6 March 2012).

Fifth and finally, many of the policy elite perceive that the balance of power within the US-Pakistan relationship had shifted and Pakistan now has more leverage than the US, arguing that the US position in Afghanistan has placed it in a weak bargaining position: "Leverage has shifted. In the immediate aftermath of 9/11, given the presumed rightness of the US in pounding the table, saying you are with us or with the terrorists, leverage was a little bit more with the United States. But as the

practical considerations of waging a war in Afghanistan have become more important, it has tended to shift the other way [toward Pakistan]” (Interview: Paul Pillar, Georgetown University, 15 March 2012). So long as the United States continues to place importance on a smooth transition out of Afghanistan, Pakistan will be in a position of power given its potential to play either a constructive or spoiler role.

One example of Pakistani leverage was the suspension of aid when Pakistan refused to reopen NATO supply lines after they closed them following a NATO strike on Pakistani soil that killed 24 soldiers in November 2011. It took almost six months of tense negotiations, and the promise of more aid, to get Pakistan to reopen the supply routes that the US depends on to get military supplies through Pakistan to Afghanistan.

Despite the preponderance of negative views on the question, one-quarter of the US elite (26 per cent) believe that US aid to Pakistan is able to help the US achieve some policy leverage in Pakistan.

Some of the elite believe the US can influence Pakistan’s military elite. However, even among this sub-group, there is a perception that leverage was much easier to achieve in the initial years following 9/11 under General Musharraf’s military dictatorship because of his centralisation of power.

Some of the US elite view the Pakistani state as mercenary, and able to be bought.

S. Akhbar Zaidi had a cynical view of how leverage is achieved in Pakistan:

“[T]hrough aid, America has been able to buy its influence. After 2014 if they want Pakistan to do something for them, they just have to pay them. It is a mercenary state of the elite” (Interview: 22 March 2012).

Zaidi also argues that the elite are pro-American and are heavily influenced by aid, in particular, the rents they can extract from aid:

The elite in Pakistan, whether they are English speaking, or from different ethnic groups, have a desire to be seen as pro-American. They benefit financially. Most generals, when they retire, move to Virginia. Pakistan is one of the most corrupt countries in the world. If you are corrupt, it is very

easy to be bought off. Money, power, influence, the ability to invite Pakistani leaders to the US – they are all enticing means. There is support for US interests in Pakistan at a very private, personal, ‘what can I get out of this level’ (Interview: 22 March 2012).

But even those who think aid can buy the US leverage admit to its limitations. David Speedie of the Carnegie Council for Ethics in International Affairs thinks that US aid has leverage, but concedes that “Americans would clearly hope that their aid is buying more than it is getting” (Interview: 22 March 2012). Marvin Weinbaum has a similarly nuanced view: “Yes, we might have received some benefits; but we would like them to do something with regard to the Taliban, Haqqani and so on” (Interview: 14 March 2012).

In general, answers to this question provide the clearest case of a disconnect between the two elites. The reasons for this are discussed in Section 5.5.

#### 5.4 Elite perceptions on aid’s ability to achieve economic reform in Pakistan

This section examines US and Pakistani attitudes towards the ability of aid conditionality to achieve economic reform. The question was asked in relation to aid in general, rather than US aid in particular (since the latter does not make heavy reliance on economic conditionality) and the elite were asked to substantiate their responses (if positive) with examples of success. Table 5.3 below demonstrates that both groups of elite had largely the same views, with a slight majority believing that aid could not engender economic reform in Pakistan. The next two sub-sections will explore Pakistani and US responses in turn.

**Table 5.3 – Can conditions bring about economic reform in Pakistan?**

	Pakistan	US
Yes	13 (40%)	10 (43%)
No	20 (60%)	13 (57%)
<b>Total</b>	<b>33</b>	<b>23</b>

33 Pakistani elite were asked this question. 7 respondents were not asked this question because these participants were interviewed prior to the questionnaire being changed, as outlined in Chapter 2. 23 of the US elite were asked this question. 14 US elite respondents were not asked this question for a number of reasons. For some the interview ran out of time; others were foreign policy specialists and were asked different foreign-policy rather than aid questions. One IFI respondent provided background information only.

#### 5.4.1 *Pakistani elite views*

More than half of the Pakistani elite (60 per cent) questioned believe conditions on aid would not spur on economic reform in Pakistan. Three common themes emerge – that reform has to be indigenous to be successful; criticism of the multiple failed IMF programs to Pakistan; and the undermining of economic conditions by strategic calculations.

A recurring theme among respondents is the need for reform to come from within, or for reform to occur indigenously, often expressed with the rhetoric Pakistan needs to get its own “house in order” or that Pakistan needs to do its own nation-building.

Bilal Mehboob, Secretary General of the Pakistan Institute for Legislative Development and Transparency argues: “Basic and lasting reforms can only come when the initiative for that reform comes from within. As long as it does not come from within Pakistan, I don’t think these changes can be lasting, even if they are started” (Interview: 29 May 2013).

As part of getting Pakistan’s own house in order, Ambassador Ayaz Wazir, advocates for Pakistan to change its outlook:

To bring about change, I don’t think you can do it with a begging bowl...We should tighten the belt and start to live with the limited resources that we have, rather than go around and beg for money. That money [aid] is not spent properly anyway, it is stolen also. Our country, as an agriculturalist country, is rich. The only thing that we, in our last 65 years of history did not have was a sincere leader. If a leader with dignity and honour comes and says, *I have tightened my belt, I am here to help* – in five to ten years things would be

totally different. Now, it is like throwing things into a black hole, you don't see anything (Interview: 20 February 2013).

Javid Leghari, head of the Higher Education Commission, supports the view that change needs to come from within:

You can't have outside forces come in and tell us what to do. First of all we have to put our own house in order. Why should the IMF tell us that we need to widen our tax base? I want the tax base widened. Why should the Australians, Americans or British taxpayers pay us for our development while we refuse to pay taxes? I don't think these types of things should be coming from the IMF, they should be coming from us... We should not even need IMF and World Bank money, I think we can generate enough resources here through widening the tax base and getting rid of corruption, then we can take care of our own problems (Interview:15 February 2013).

A number of the elite are critical of the IMF programs in Pakistan, particularly of the conditionalities the IMF imposes, and their track record of failure (as discussed in Section 1.5 in Chapter 1). Journalist Zahid Hussain believes Pakistan has been dependent on aid for too long and has not had to think for itself about its own needs for economic reform: "Conditionalities are quite high – we have never completed an IMF agreement, never. All the agreements have been abandoned halfway through – why? Because Pakistan refuses to take on reform. I think it would be a good thing if aid to Pakistan is either stopped or given differently" (Interview: 5 June 2013).

The IMF is seen by some as failing not only in Pakistan, but around the world.

Raza Rumi, Director at the Jinnah Institute, is critical of the IMF's ability to use loans or aid to achieve lasting reform:

Find me a country where it has worked, the thing is – no [it hasn't]. The answer to IMF-led reform and the experience of policy-based lending generally is that it has been a colossal failure since the 80s. 90 per cent of structural adjustment programs have failed. Either the conditions were not fulfilled, or if they were they had huge social and economic costs ... The IMF really needs to review the way it works because it has failed in so many countries ... You can't ask the vested interests to undertake reforms, because

you know they are hoodwinking you. They take the money, they won't do anything and they'll move onto the next package. So the approach is wrong (Interview: 29 May 2013).

Ambassador Akram Zaki criticises the nature of the conditions: "The IMF and others are so elitist that the conditions that they impose support the business class and upper class, but put the burden on the lower classes – for example on electricity price increases" (Interview: 21 January 2013).

Third, many believe that the United States had the final say on whether or not the IMF would provide a structural adjustment package to Pakistan, and that therefore these agreements are ultimately about politics and strategy rather than economic reform. Head of political party MQM, Dr. Farooq Sattar, thinks the IMF's agenda "serves the purpose of the big powers, like the United States" (Interview: 23 January 2013).

Retired Brigadier AR Jerral contends: "The IMF and World Bank are both subservient to the United States. The President of the United States appoints the World Bank President. The IMF, I don't know, it must also have been. Their [IFIs] aid is also conditional and in our experience we have found that whenever we went again the Americans, the World Bank and IMF openly denied more aid" (Interview: 19 June 2013). Similar in sentiment is politician Ayaz Amir who believes: "When we have a warm relationship with the US, for a very brief fleeting moment they think Pakistanis are the best people in the world – then the IMF becomes very helpful, the World Bank becomes very helpful, the ADB becomes very helpful" (Interview: 5 February 2013). These perceptions of the political nature of the IMF's programs to Pakistan demonstrate how the credibility of economic conditionality can be undermined. If Pakistan thinks IMF aid is controlled by the United States, conditions become less credible because access to funds, even multilateral funds, is perceived to be linked not to economic performance, but the political desires of the United States.

A substantial minority of Pakistan's elite (40 per cent) nevertheless consider conditioned aid can produce economic reform in Pakistan, though they tend to claim only modest results. Politician Shafqat Mahmood believes aid in this instance works only as a "stop-gap" and says in a similar vein to those who did not believe that conditional aid could deliver reform: "Yes it can, but we have to improve our own

fundamentals. We cannot keep going to the Americans, Western countries and the IMF, we have to do things internally” (Interview: 4 June 2013).

As part of this question on the utility of economic aid conditionality, respondents were asked to name examples of the success of conditionality. Few of the elite could point to specific examples of when conditional aid has resulted in economic reform in Pakistan or elsewhere. A group of economists interviewed at the Pakistan Institute of Development Economics in Islamabad, provide the example of Central Bank reform, citing “the independence of the Central Bank, as well as the generation of some reforms regarding the financial sector as successes of IMF programs.” They also note the reform of the GST, which almost got off the ground: “The reformed GST – we had almost implemented under the cover [of IMF conditionality], so some conditionalities are not bad in that sense” (Interview: 20 February 2013).

Politician turned businessman, Adnan Aurangzeb, cites the example of the free flow of currency in the early 1990s as a success of aid conditionality:

In Pakistan, foreign exchange was very tightly controlled. Previously, if you had to travel abroad as a Pakistani, you had to take permission from the State Bank to be allowed \$500 on your visit abroad because currency was not available on the open market. The 1990s government of Nawaz Sharif did bring in quite a few economic reforms, which made the free flow of hard currency and credit available. I never thought in my lifetime that I would have a Visa card in Pakistan (Interview: 24 August 2013).

#### 5.4.2 *US elite views*

23 of the US elite were asked for their views on conditionality and economic reform. As shown in Table 5.3, as is the case for the Pakistani elite, over half (57 per cent) believe conditionality cannot achieve economic reform.

Overall, the US elite perceive that conditions could not achieve economic reform for political reasons, citing two key explanations, both reasons are also stressed by the Pakistani elite: the overriding importance of strategic considerations, and political roadblocks in Pakistan.

Some argue that, because of its strategic circumstances, Pakistan has become used to a reliable stream of aid from the United States and other bilateral and multilateral donors, especially the military. Dr. S. Akbar Zaidi from Columbia University, who was interviewed for this research, has written: “The Pakistani military is the main beneficiary from this [aid] relationship, exploiting the pathology of too big—and too important—to fail” (Zaidi 2011, p. 1). Pakistan has embraced its “too important to fail” moniker and since 9/11, the United States has enhanced this belief, through aid, high-level visits, and by linking Pakistan so intricately with its strategy in Afghanistan.

Second, significant political roadblocks exist and the political environment in Pakistan is unpredictable. It is difficult for conditionality to effect change if economic reform is not a priority for the government and consensus building among the community is not taking place. One IFI analyst summarises the problem:

Money talks, but money talks only so much. The IFIs cannot want reform at the end of the day more than the authorities. Money doesn’t move people unless they are in really dire shape ... Reform will be built on consensus. We can’t have reformists being in the minority or have the international community being the only ones pressing for reform (Interview: March 2012).

Strong arguments were made that the vested interests of the elite in Pakistan are an impediment to economic reform, regardless of the strength of conditionality imposed. Shamila Chaudhary at the New America Foundation argues:

Doing any kind of long-term economic reform doesn’t really suit or benefit the political elite... There are a few hundred families running the government, not just civilians – they are linked to the military, they are linked to political parties – and they all rotate in and out. They are not going to change to a system that disadvantages them. That is what the US didn’t realise when they tried to push reforms (Interview: 12 March 2012).

While the problem is long-standing, prospects for reform in 2013 were seen as particularly negative. The May 2013 elections heralded the first time a democratically elected government was replaced with another democratically elected



government in Pakistan's history. The key political parties scrambled to secure votes, promising a better economic future, but included no details on what they would do specifically. Shuja Nawaz at the Atlantic Council argues that this kind of electioneering took the focus off reform: "This government [led by the Pakistan Peoples Party (PPP)] is resorting to deficit financing at a staggering rate. Particularly now, with the elections coming up they are going to throw money at people in order to win the elections. They are going to dig a deeper economic hole and I am not sure it will be worth anyone's while to win this election" (Interview: 15 March 2012).

Electioneering, sectarian tensions and a poor security environment are seen to have consumed the Pakistani leadership. One IFI analyst argues that inaction on economic reform stems from the Pakistani government's inability to focus on anything but security: "It really comes from paralysis. Everybody is so consumed with other problems. Everyone recognises that revenue is an issue and energy is an issue, yet we aren't able to do anything" (Interview: IFI Analyst, March 2012).

While there were many naysayers on conditionality's ability to achieve economic reform, there were nevertheless a significant minority amongst the policy elite who argued that conditions could solicit economic reform.

Some agreed in the abstract that conditions could bring about economic reform in Pakistan provided that there is some domestic will. Shuja Nawaz from the Atlantic Council believes:

If there is policy-oriented assistance, particularly from multilateral donors like the IMF and World Bank, yes, it can create the environment for change. In the end, aid is a catalyst: the critical element has to be the desire on the part of the administration in Pakistan to actually make changes to the economic relationship within the country (Interview: 15 March 2012).

There was greater confidence in the IFIs to be able to get Pakistan to undertake economic reform because the outcomes the IFIs want in Pakistan are less politicised than the outcomes sought by the United States. Josh White argues that IMF programs have been worthwhile in promoting reform: "US conditionality doesn't provide the

same kind of leverage that certain structural aid and loans that IFIs might use to change fiscal or monetary policy” (Interview: 16 March 2012).

Ambassador Wendy Chamberlin also agrees that the IFIs have achieved reform outcomes, albeit “narrow” successes: “IMF conditionality to the Ministry of Finance to have them impose taxes makes sense...It is unsustainable to keep giving aid if the country itself isn’t willing to change its own finance. I don’t know how successful it is yet, but the IMF is on the right path on conditioning loans to tax revenues” (Interview: 9 March 2012).

## 5.5 Discussion

Comparing Pakistani and US elite views on conditionality and leverage demonstrates that both groups of elite share the similar perspectives on the need for conditions on US aid to Pakistan. Section 5.2 showed that the two-thirds of the Pakistani and four-fifths of the US elite agree that some form of conditionality should be placed on US aid to Pakistan. That more of the US elite considered conditions to be an integral part of US aid policy can be explained by the fact that aid donors in general are more likely to want to see their taxpayer-funded foreign aid spent appropriately and not wasted. It is surprising that almost 65 per cent of the Pakistani elite wanted conditions on aid from the United States, given that in general it is portrayed in the media that Pakistan wants less interference from the United States. Despite this public posturing, most of the Pakistani elite accept that aid from the US should be conditioned, or at least that it will be conditioned, because it is the donor’s right to attach conditions, and because in the end conditions might be able to help Pakistan to undertake difficult reforms.

Just because someone believes that aid should have conditions does not mean that they believe those conditions will work. Views are starkly divided on whether they do, with nearly all (93 per cent) of the Pakistani elite arguing that US aid does give it leverage, and most of the US elite (three-quarters) claiming to the contrary that it does not. This is an unexpected result. One could reasonably expect that the aid donor, in this case the United States, might think its aid program achieved policy leverage

especially given the large volume of US aid given to Pakistan. One could also reasonably expect the aid recipient to underplay any leverage that aid achieves, so the recipient appears independent and cannot be bought or influenced by more powerful aid donors. Neither of these assumptions are borne out by the data.

Why is there this difference? Both sides put forward very different arguments, with the Pakistani side stressing the military leverage the US has in particular, due to the sums of money involved and the long-standing relationship between the two countries' armed forces.

The US elite on the other hand tends to explain its failure to exercise leverage through a range of factors, from the relative smallness of its aid through to its lack of credibility, and the existence of too many and conflicting goals, a shift in the balance of power in the relationship to Pakistan, and a belief that what the US is asking from Pakistan is simply too expensive to buy.

How can these diverging perspectives be resolved? Clearly, the US has got some of what it wanted from Pakistan, but not everything. In such a situation, it would appear that the US interviewees are focusing on what leverage it has not achieved, and Pakistani on what it has. Perhaps that in turn is what is most grating: for Pakistanis, that the US does have influence; and for the US that it doesn't have enough influence.

Another explanation may be that the US elite does not want US aid to be seen as only wanting to "buy" cooperation or leverage using its aid program, whereas the Pakistani elite are much more pragmatic about the impacts of US aid on policy making in Pakistan. Viewing aid as buying something undermines the value of the gift, and therefore reduces the status of the donor relative to the recipient. Perhaps then aid recipients are more likely to recognise the influence of aid while donors will perhaps undervalue its impact.

Turning specifically to economic reform, views were more similar between the two groups, but more divided within, with a small majority on each side claiming that aid could not purchase economic reform. The Pakistani elite appears clearly more convinced that US aid purchased military than economic leverage. The US elite seem

more convinced of the power of multilateral aid than their own aid to exert influence, but even in relation to the former they are not too confident, and for good reason. The majority on both sides who argued economic conditions do not work had similar, and persuasive arguments. They argue that domestic political will is lacking, and that the credibility of economic reform conditionality is undermined by the importance attached to security goals. Those who claim economic conditions could work are generally modest in their claims, arguing that they could make a small but not decisive difference. This seems consistent with the disappointing track-record of IMF programs in Pakistan, as analysed by Ahmad and Mohammed (2012).

## 5.6 Conclusion

In this concluding section, I consider the findings of this chapter in relation to Burnett's "frozen spigot" metaphor. It is evident that most of the Pakistani elite consider that the spigot is *not* frozen open. To the contrary, 93 per cent believe aid does achieve leverage. Interestingly the US elite are more likely to view the spigot as frozen *open*, with most arguing that the US lacks leverage in Pakistan.

Recall Burnett's argument: "[I]f the receiving country believes that the spigot is *frozen* in the open position, that for reasons of strategic necessity or domestic politics it is not feasible for Washington to close the spigot, the influence the United States derives from the aid sinks close to zero" (1992, p. 5). Although it is true that in Pakistan for the period of research (and indeed for the entire post 9/11 period) it was not possible for Washington to credibly "close the spigot" (withhold its aid), one cannot conclude that US influence or leverage was "close to zero". This would indeed be the conclusion one reached if one listened only to US elite opinion. But Pakistani elite opinion points us in quite a different direction, overwhelmingly arguing that the US does have influence through its aid. I reconcile this disagreement (in the previous section) by arguing that US aid does have some leverage though not as much as the US would like, and therefore conclude, contrary to Burnett, that the spigot is not frozen.

While it may be the case that the US does get some leverage from its aid, that leverage is limited by a number of factors stressed by both sides, ranging from strategic divergence, to a lack of credibility and a limited aid budget. Overall, the findings suggest that one should view the aid-leverage relationship as a matter of degree (aid has more leverage or less), not as a zero-one dichotomy (aid either has or does not have leverage).

While Burnett's first conclusion needs to be modified in this way, his second conclusion that conditionality in relation to nation-building goals can be undermined by the pursuit of realist ones is confirmed by this research. Both sets of elites are in general skeptical about the role of economic conditionality. While they do not in general write it off altogether, they were more likely to think that aid provided security rather than economic leverage, and several respondents explicitly confirm that economic conditionality was undermined by US realist goals which tend to take priority.

In summary, this research suggests that aid does have some leverage in Pakistan. If so, then, the value and reach of this leverage should not be underestimated, as the US elite perhaps does. However, we should not be too demanding in our expectations. Expecting aid to promote economic reform as well as provide strategic leverage may be one expectation too far in a situation where realist objectives dominate.

## Chapter Six: (Not) winning whose hearts and minds?

*“The US is trying to win the hearts and minds of the elite, because the ordinary Pakistani has no say in larger scheme of things and he is not significant. Because he is not part of your work force, and your business is not related to him and he is not working in some American factory here – so there is no economic interest that the US has with the ordinary Pakistani. So far the US only has military interest.”*

Adnan Aurangzeb, former politician and prince of the Swat Valley.

(Interview: 24 August 2013)

*“If the US is going to have a chance at success it will have to be with the middle class, and they are trying.”*

Danny Cutherell, Centre for Global Development.

(Interview: 5 March 2012)

## 6.1 Introduction

The United States' desire to win hearts and minds overseas has spanned many decades, many theatres and many different actors. From Korea and Vietnam, to Iraq and Afghanistan, the United States has attempted to influence public opinion of itself. This chapter examines the United States' drive to win hearts and minds in Pakistan in the post 9/11 period.

Given the clear unpopularity of the US in Pakistan, the chapter takes as its starting point the failure of the US to win hearts and minds. Despite the increase in US aid to Pakistan, during this period of research, Pakistani public support for the United States declined steadily. A Pew Global Attitudes survey showed that 64 per cent of Pakistanis viewed the US as more of an enemy than a partner in 2009. This increased to 69 per cent in 2011 and 74 per cent in 2012 (2012, p.1). Why was the US so unsuccessful in building public support? Did the realist objectives of US aid undermine its ability to win hearts and minds?

The interview question used to answer this question is:

Pakistani opinion of the United States is negative, despite the large US aid program. Why can't the US improve its image in Pakistan?

Since I thought the Pakistani elite would better understand Pakistani public opinion, I asked this question only to the former group.

Hearts and minds campaigns centre on winning over the people in an aid recipient country (Fitzsimmons 2008) – but which people? Societies are complex and difficult to categorise; however, for the purposes of a great deal of public opinion research, it is convenient to divide society simply into “the masses” and “the elite” (Bottomore 1964).

As I argued in Chapter 2, whom the US targets with its aid programs presents a quandary. Does the US take the nation-building road and target the masses to improve public opinion - for example, to get the ordinary person to feel better about the US, and less likely to take to extremist or terrorist causes? Or does it take the

realist road and focus its efforts on the elite to gain political influence, and affect policy decisions in order to obtain maximum influence – for example to get the aid recipient country to vote with the US in the United Nations? Or a combination of the two? This chapter also attempts to answer these questions.

The Obama Administration's aspirations to win the hearts and minds of the masses are well documented. In 2015, in an opinion editorial in the LA Times, President Obama writes: "Our campaign to prevent people around the world from being radicalised to violence is ultimately a battle for hearts and minds" (2015).

In the Pakistani context, as noted in Chapter 1 (Section 1.3.2), President Obama appointed Richard Holbrooke, as the United States' first Special Representative for Afghanistan and Pakistan. Holbrooke clearly believed in the importance of nation-building in Pakistan to long-term stability in the region, and in the importance of winning hearts and minds at the mass level to this goal. Nasr explains Holbrooke's perspective:

Average Pakistanis had to see a benefit in having a relationship with America. It is easy to be angry at America if you think you don't get anything from the relationship other than drone strikes and retaliations for them in the form of devastating suicide bombings (2013, p.79).

The answer, in Holbrooke's view, was: "simply giving Pakistan more (much more) aid for longer (far longer)" (Ibid).

The second question for this chapter is to what extent the efforts of those such as Holbrooke were able to convince the elites of the two countries that the US was concerned to win the hearts and minds of the masses. To answer this second question, both groups of elites were asked the question:

Is the US trying to win hearts and minds? Whose hearts and minds in the US trying to win in Pakistan - the elite or the mass public?

My interviews suggest that US aid to Pakistan is impotent to influence Pakistani elite views in the face of much larger, and negative forces. According to the Pakistani elite, aid cannot undo the negative impacts of US foreign policy, whether in Pakistan



or worldwide, today or in the past. Not only is aid impotent in the face of broader forces, but the aid itself is not necessarily popular. The Pakistani elite tend to believe that aid is not based on what Pakistan needs, that it is still heavily skewed to the military, that it is invisible and ineffective, and that it is lacking in tangible achievements. They saw it as given *quid pro quo*, for leverage, and as inadequate compensation. From these responses, it would seem to be clear that the realist objectives of US aid clearly *did* undermine its potential for winning hearts and minds.

On the second question of whose hearts and minds, I find a strong majority of the Pakistan elite (74 per cent) believe that US aid targets the elite, whereas the US elite are much less sure and more divided on this issue. Why is the US unable to convince Pakistan of its intent to reach the masses, and improve public opinion? The simple answer would seem to be that the realist lens through which the Pakistan elite views the US engagement with their country. The Pakistani elite view the US aid as focused on getting Pakistan to behave in certain ways, and, given this, it *must* be focused mainly on the elite.

Section 6.2 analyses the failure of the US hearts and minds campaign in Pakistan. Section 6.3 investigates whether it is the elite or the masses that are being targeted. Section 6.4 discusses the findings and concludes.

## **6.2 The failure of the United States' hearts and minds campaign in Pakistan**

39 members of the Pakistani elite were asked why the US has been unable to improve its image in Pakistan using the aid program. One interview respondent was not asked this question due to time constraints.

Most respondents provided multiple responses to this question, with 106 total responses provided, or 2.7 responses per respondent on average. Focusing on keywords or “headings”, there were 70 different reasons provided as to why the US has been unable to improve its image in Pakistan. These are listed in Annex 6.1.

I was able to group these reasons into three categories. One related to how aid is delivered in Pakistan and two to how US foreign policy is conducted Annex 6.1 shows how each response was categorised. Table 6.1 summarises the results, which are discussed in the next three sub-sections under the headings used in the table, namely: US aid policy; US foreign policy in Pakistan; and US global foreign policy.

**Table 6.1: Despite aid, why can't the US improve its image in Pakistan?**

Category	Number of responses (% responses)	Number of respondents (% respondents)*
US aid policy	62 (59%)	34 (87%)
US foreign policy in Pakistan	33 (31%)	20 (51%)
US foreign policy globally	11 (10%)	8 (21%)
<b>Total responses/respondents</b>	<b>106 (100%)</b>	<b>62 (159%)</b>

Note: 'Number of responses' denotes the number of responses within the category, and in parentheses the percentage of total responses falling within that category. 'Number of respondents' denotes the number of respondents who made a response falling within that category and in parentheses their number divided by the total number of respondents expressed as a percentage. The 'Total' row adds together the numbers in the columns above. 39 out of 40 Pakistani respondents answered this question.

### 6.2.1 US aid policy

87 per cent of respondents referenced aid in their response to the question as to why the US cannot improve public opinion of itself in Pakistan. 62 responses were provided in this category – almost double the number in the next most popular category. Aid is seen to be either ineffectual in improving public opinion, or, worse, a negative. A large catalogue of reasons was presented as to why this is the case.

A common view is simply that aid is not up to the task of overcoming the political differences between the two countries. Retired Lieutenant-General, Talat Masood, puts it simply: "The negative image of the US in Pakistan is so strong that any amount of assistance cannot compensate for that" (Interview: 28 May 2013). CEO of the Pakistan Business Council, Asad Umar says something similar:

You cannot make people like you by spending money when they never liked you to begin with. If it is political choices that result in them not liking you, then spending money is not going to change that. So either change policy or reconcile to the fact that people will not like you (Interview: 20 February 2012).

Going beyond the intrinsic limits of aid, there are a number of complaints about the specifics of US aid policy, which were seen to be undermining the potential of aid to buy good will. Several interviewees respond that US aid is not visible.

Dr Maria Sultan, head of the South Asian Strategic Stability Institute says: “Not one single major project the US is doing in Pakistan is visible to ordinary Pakistanis, or has led to the benefit of the people of Pakistan” (Interview: 7 October 2011).

Interestingly, Secretary-General of the Pakistan Institute for Legislative Development and Transparency (PILDAT) Bilal Mehboob provides a counter-argument with the claim that there is too *much* emphasis on branding:

USAID puts a lot of emphasis on visibility and on recognition. It insists on a certain size of the logo and the size of the acknowledgement. That sometimes evokes a negative reaction. I think some of the advertisements, which are running on television now - they are insensitive to the fact that people do not like to be reminded time and again how much money someone has given to us. I know that the United States has done a lot of good work, and as far as possible it should be acknowledged – but really, should you be over-emphasising it? I don't think that is the right thing to do (Interview: 29 May 2013).<sup>18</sup>

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<sup>18</sup> Mehboob provides an interesting and specific example of his experience with USAID branding: “Recently, USAID funded a project under which strategic plans of the National Assembly and four Provincial Assemblies were produced. They are excellent documents and it is a very positive contribution. But they (USAID) insisted that the printed version of the strategic plan have a very visible USAID logo. It is an Assembly document; it's the sovereign house of an independent country and putting the logo of USAID on that conveys a very negative message... The National Assembly secretariat is very shy of even sharing that printed document with anyone, so people rarely know that such a strategic plan exists and it has never been implemented. Contrary to that, if you see the strategic plan for the Election Commission, which was also done with USAID assistance, they did not insist on a (USAID) logo. The only strategic plan, which is being implemented and thriving, and that people know about is the strategic plan of the Election Commission. I am not saying that logo or no logo is the only reason, but these things sometimes play a very important role” (Ibid).

Journalist Khurram Husain argues aid fails to boost the US image because it is ineffective. It tackles difficult problems such as energy, which it is unable to solve:

For the mass public, they are not really looking past the fact that they have energy shortages. They are not particularly interested in the problems upstream in the energy sector. They have very little patience for discussion on the fuel mix and power generation. They don't care – they want electricity. The Americans will have a hard time getting the people who are sitting at home without electricity to understand that we [the US] have a marvelous program that will identify leakages in the supply. They don't want to hear about it - they want to know when their lights will come back on. That is not an answer that the Americans can give through their engagement (Interview: 20 February 2012).

Ayaz Amir, a journalist and a federal PML-N politician representing the Punjab, also argues that US aid is ineffective but because it is too focused on capacity building and is spent in Islamabad:

What has KLB (Kerry Lugar Berman aid package) done? I don't know – I keep reading ads (sic) about USAID, but I can't figure out what they mean. I can't decode the language. They are talking about capacity building. But there have been drips here and capacity building there. There is a whole elite in Islamabad that does very well out of USAID. All the fancy speaking people you meet – with fancy cars and SUVs. Sure it helps prop up the lifestyles of certain people – you won't get anyone against that (Interview: 5 February 2013).

In addition to the complaints that US aid is invisible and ineffective, there is also a clear sense emerging from the interviews that the capacity of aid to win hearts and minds *is* undermined by the realist objectives of US aid. Several aspects of aid are relevant here: its focus on the military; its use as leverage, its transactional nature, and the perception of aid as a bribe and as compensation.

Dr Maria Sultan, head of the South Asian Strategic Stability Institute, who was quoted earlier on the invisibility of US aid, also highlights its military focus:

The US does not even spend a single dollar that is not linked to its security concerns... The Kerry Lugar Berman package, which had the maximum hopes, is so strongly referenced to security related conditions and so many infringing clauses on Pakistani sovereignty, that it is not even funny to call it a trade or economic assistance bill (Interview: 7 October 2011).

Some in the elite argue that when the US tries to use aid as leverage, it loses its ability to use aid to win hearts and minds. Raza Rumi, of the Jinnah Institute, an Islamabad-based think-tank argues that:

When you start using aid as a strategic tool you lose the big picture, ... it leaves no credibility. As an aid partner you have to say *here is something for you, and even if we fight, we are going to keep this as our engagement zone*. The US always says *we will offer you aid* but then takes it away. I think using aid as a short-term negotiating lever is a bad idea. It has backfired upon them (Interview: 29 May 2013).

In a similar vein, author Ayesha Siddiqi sees the US-Pakistan aid relationship as a transactional relationship – cash for support. The result might be more Pakistani support for US policies, but not more US popularity:

We have a security relationship. We get paid [with aid] because of security reasons. It's warfare, so the expectation at the level of policy making is that, yes, part of the transaction is we get money ... And as part of our cooperation, we get to do what we want to in terms of technology or military plans, with the US not objecting to it... at the end of the day we are trying to extend this relationship as long as we can because they [the US] know that at the end of the day we'll be running out of money and they will be running out of support (Interview: 14 June 2013).

Several in the elite referred to aid as a bribe. If aid is seen in this way, this undermines its legitimacy. Lieutenant-General Asad Durrani says:

If they [the US] want something done, they will go bribe the leadership; you get it done and then walk out. After all, how long can you (foreigners) stay in a place like Pakistan? When 9/11 happened, we go back to the bigger [aid] package ... if the United States wants action tomorrow, they do something.

After it is over, they go somewhere else and if they need you again they will come back (Interview: 8 January 2013).

Another common explanation for why aid is unable to promote US popularity is that it is compensation, and inadequate compensation at that. One of the themes that emerged from the discussion of Pakistani challenges and US wants (covered in Chapters 3 and 4) was the perceived high cost of Pakistani support for the US. Moneeza Hashmi, President of the Commonwealth Broadcasting Association puts it this way:

... both of these challenges that I have mentioned [terrorism and lagging economy] are partly due, not partly due – mostly due, to the fact that we are so heavily indebted to the USA and receive financial support (Interview: 16 February 2013).

Pakistan is viewed as not getting proper credit, or sufficient compensation, for the sacrifices it is being asked to make. In the words of Member of the National Assembly, Dr Tariq Fazal Chaudhary, the Pakistan Muslim League-N (PML-N) representative in Islamabad:

Pakistan is not given the proper reward from the world community. The sacrifices and the efforts, which Pakistan has put to fight against terrorism are not properly recognised all over the world. The US also is not recognising what we are sacrificing and what we are giving... Losses which Pakistan is facing are never paid off... And of course there is no price to the precious human lives... I mean in terms of aid, Pakistan should have been properly compensated, that is the first most thing (Interview: 16 February 2013).

Dr. Simbal Khan at the Institute of Policy Research Islamabad contends that the shift to civilian aid is too little too late:

People in the United States do not realise the extent of the operational logistic s role Pakistan played in this war and how it rolled out. A lot of the money went to support it [the war], but it left Pakistanis out cold, it left the general people untouched by it... It looked like an attempt to buy public opinion rather than to sweeten a bad pill. It's basically a bribe... President Obama clearly tried to engage Pakistan's civilian side [with the KLB aid package], but by

that time it was too late. Pakistan, internally, had exploded with internal domestic insurgency, militancy and it is debatable whether this was completely related to Afghanistan or not – but in popular imagination, you are talking about Pakistani perceptions. It is completely related to what spillover affects them. It is very difficult to disengage what is their [US] spillover and what is our spillover. (Interview: 11 July 2013).

The narrative of aid as transactional and used as either a bribe or as compensation is a common theme throughout this research on Pakistani elite opinion. The compensation angle plays out in both discussions with the elite, as well as in the media during fieldwork conducted from 2010 to 2013. For example, the English language daily, *The Express Tribune*, reported Pakistani Government research into the cost of the war on terror and concluded that US aid is not doing enough to compensate Pakistan for the economic and human losses endured in the decade following 9/11 (Rana 2011).

### 6.2.2 *US foreign policy in Pakistan*

The second most popular category of response, provided by more than half of Pakistani elite respondents is that US foreign policy in Pakistan negatively impacts public opinion of the United States. 33 responses are provided in this category.

In terms of the specifics of unpopular US foreign policy, many of the elite criticise the United States' use of unarmed aerial vehicles (drones) on Pakistani territory: "The drone attacks have played a very important role in shaping the mindset of Pakistani people and in shaping the war on terror" (Interview: Khalid Rahman, Institute of Policy Studies, 6 October 2011). Amina Khan, an analyst at the Institute of Strategic Studies Islamabad, believes that the dislike of the US goes beyond drones, but that the drones crystallise negative sentiment. She says that even mentioning the United States provokes a negative reaction among Pakistanis: "They know the amount of hatred that is there... it's so easy, the drones are just one simple example" (Interview: 29 July 2013).

A number of the elite point to specific US foreign policy actions which are believed to have undone any good work done by US aid. Three in particular are highlighted: Raymond Davis, the Salala attack, and “OBL” (the US raid that killed Osama bin Laden in Abbottabad on 2 May 2011).

Raymond Davis was a CIA contractor who shot and killed two armed Pakistani men in Lahore. A third Pakistani was killed by a US embassy vehicle attending the crime scene. The diplomatic furor that erupted following US claims that Davis was protected by diplomatic immunity reached the highest levels, with President Obama asking that Davis not be prosecuted because he was protected by diplomatic immunity – immunity the Pakistanis disputed Davis was entitled to. Charges were dropped and Davis was released and sent back to the US after payment to the families of the two people he had shot. He was released under a legal and commonly-used principle of Sharia Law that allows murder charges to be dismissed when *diyya* is paid to the deceased’s families. At a seminar in Islamabad on 10 October 2011, entitled *Violation and threats to Pakistan’s sovereignty and response*, journalist Syed Talat Hussain highlighted the incompetence of Pakistani authorities in bringing Davis to justice: “In Pakistan, Raymond Davis got away with murder, in the United States he couldn’t even get away with a minor assault charge”. (Hussain is referring to the fact that after Davis returned to the US, he was arrested and convicted of assault with a two-year probationary sentence following an altercation over a parking space in Colorado.)

The ‘Salala incident’ refers to the accidental US-led NATO attack on Pakistani military forces in November 2011 on Pakistani territory close to the Afghan border, which killed 24 Pakistani soldiers.

Salma Malik at Quaid-i-Azam University expresses the common view that these three incidents undo the good work of aid and damage the United States’ image in Pakistan: “When people hear about these incidents - we are a sensationalised, very emotive and emotional nation – it really upsets the entire balance. No amount of good work can really do that type of damage control” (Interview: 3 October 2011).



General Jehangir Karamat, Chief of Army Staff (1996-98), Chairman of the Joints Chiefs of Staff (1997-98) and Ambassador to the United States (2004-06), blames the media for blowing these events up: “An incident happens, the media takes over, the blame game starts, conspiracy theories – and the whole thing turns into a fiasco” (Interview: 4 May 2012).

These incidents are not seen as isolated, but as symptomatic of deep underlying problems. Former Ambassador to Afghanistan and Turkey, Qazi Humayan, names all three of the abovementioned incidents and says that they are reminders of the inequality in the US-Pakistan relationship:

Last year, three incidents in particular have got us into serious trouble with the US: the Raymond Davis issue, Osama bin Laden and the NATO Salala incident... The Americans said that if they had shared intelligence [on bin Laden], that we [Pakistan] would have tipped bin Laden off. The message that the US conveys, while sitting in Afghanistan, is that US troops can attack Pakistan at any point. That is the worst thing for our relations...the basic philosophy in the US is that *we are a super power, we spend trillions of dollars, we can get away from our commitment, but you can't get away from your commitment*. It is an unequal relationship (Interview: 1 March 2012).

Others take a longer-term, historical perspective. Salma Malik, an Assistant Professor at the Department of Defence and Strategic Studies at Quaid-i-Azam University, believes the historical record of US-Pakistan relations explains the strong anti-American sentiment that persists today:

What has really embedded this [anti-Americanism] in Pakistani thought is the long and warped history we have had with the US. We see that the US professes to be our best friend, and then they go back and they do what they have to do. For a common person to be told that this is all politics is very difficult because you are promised the moon and you are not even given the earth (Interview: 3 October 2011).

Dr Javed Leghari, Chairman of the Higher Education Commission, cites the United States' support for military dictators throughout Pakistan's history as a key reason aid could not improve public opinion:

If America supports dictators, which they have historically done for their own strategic interests, and this goes against the wishes of the people of that country, if the dictators lead the country towards corruption and nepotism and everything that is evil and bad –then all of the evils of the country, whether it is poverty, unemployment, corruption or insecurity, I think it is indirectly blamed on Americans for supporting the dictator (Interview: 15 February 2013).

### 6.2.3 *US global foreign policy*

Other members of the Pakistani elite, when they reflect on US unpopularity, turn not so much to history as to the US's global role. Eight respondents suggest that public opinion in Pakistan is negatively impacted by global US foreign policy. In particular, US foreign policy in Israel and Palestine is raised a surprising number of times as an issue important to Pakistan. Raza Rumi, Policy Director at Islamabad-based think-tank the Jinnah Institute argues:

Aid cannot remove the deep distrust of the US, which is not new. The roots of it clearly have to do with the Palestinian issue, the Palestinian-Israeli conflict. Well, to put it clearly, the Israeli occupation of Palestinian lands and the clear alliance of the US with Israel... It's nothing new and it has been there in the public consciousness, transferred from generation to generation. And unfortunately it has been fueled by al Qaeda's narrative in the last twenty or so years. The rise of Islamism and its various hues and shades has led to this complete domination of anti-US narrative, where the centerpiece is Israel and the Middle East conflict, followed by the blunder committed in Iraq and followed by an even more ridiculous war in Afghanistan (Interview: 29 May 2013).

## 6.3 **Whose hearts and minds?**

Both groups of respondents were asked whether the US is trying to win hearts and minds, and, if so, whose - the elite or the mass public/ordinary Pakistani. Responses are categorised as: elite, mass public, both, neither, or don't know. Table 6.2 below provides a comparison of US and Pakistani elite views using this categorisation.

Some clear contrasts are immediately evident: three-quarters of the Pakistani elite, but less than one-third of the US elite think that the US is focused on winning the hearts and minds of the elite. The views of both sets of elites are examined in Sections 6.3.1 and 6.3.2 respectively. When a respondent answered ‘both’, the response is recorded in this category. However, the discussion of responses is presented just under the two elite and mass public categories because, more often than not, interviewees even if they respond with ‘both’ only go on to highlight one group specifically.

35 Pakistani respondents were asked this question. Five were not asked as they were interviewed before the questionnaire changed to reflect the questions posed to the US elite. (See Chapter 2 (Section 2.5) for further details.) 31 US respondents were asked the same ‘whose hearts and minds?’ questions. Seven were not: four IFI respondents were not asked because our discussion focused more on economics and broader aid policy, while two think-tank staffers and two bureaucrats were not asked this question due to time constraints.

**Table 6.2: Whose hearts and minds is the United States trying to win?**

	Pakistan Number of respondents (% respondents)	United States Number of respondents (% respondents)
Elite	26 (74%)	9 (30%)
Mass public	2 (6%)	6 (20%)
Both	3 (9%)	12 (40%)
Neither	4 (11%)	2 (7%)
Don't know	0 (0%)	1 (3%)
<b>Total</b>	<b>35 (100%)</b>	<b>31 (100%)</b>

Note: ‘Number of respondents’ denotes the number of respondents who made a response falling within that category and, in parentheses, their number divided by the total number of respondents, expressed as a percentage.

### 6.3.1 Pakistani elite views

Almost three-quarters of Pakistani respondents believe US aid is focused on winning the hearts and minds of the elite. The Pakistani elite clearly sees the US aid as realist in its nature, and many critique it on these grounds.

The views of Senator Mushahid Hussain, Chair of the Senate Defence Committee and a member of the Pakistan Muslim League-Quaid (PML-Q) party, are typical: “They

(the US) have been working only on the elite. A 10-mile radius of Islamabad and Rawalpindi” (Interview: 24 October 2013).

The US is seen to focus on the elite because the elite has the power. Ambassador Ayaz Wazir states evocatively:

If we look at the history of the country, they are focusing on those who are controlling the government – at the top. When they have the machinery in their hands, who cares about the poor people, they can go to hell. We want to control the top (Interview: 20 February 2013).

Several of the Pakistani elite think the United States is concentrated on winning the hearts and minds specifically of the military elite or those close to the military because of the overriding importance of security and military goals. For example, Dr. Simbal Khan says:

I think it started with just the elite, because that has been the US approach – that you fund the policy elite, and especially the military elite, because usually some kind of security agenda is underlying this engagement – these are the episodes of engagement that we have had. The main audience is always the security establishment (Interview: 11 July 2013).

Several are derisive of the United States’ lack of interest in engaging and aiding the masses. Journalist, Ejaz Haider, is scathing of the fact that the US does not even try to reach out to the ordinary Pakistani – “This is what is wrong with Pakistani-American relations” – and cites US security policy as an obstacle: “Given US security protocols, they aren’t in a position to reach out to anyone...the Brits [sic] interacted with the local people, they don’t confine themselves to their castles” (Interview: 23 August 2013). Former Chief of Army Staff, General Jehangir Karamat agrees that the US focuses on the elites because it is easier and the US “gets to hear what it wants to hear” (Interview: 4 May 2012). Author Ayesha Siddiqi does not think the US is even “pretending to try” to reach the masses with its aid: “It is the elite they want, people who can be bribed, who can be affected with their [US] money. Ordinary people, they are not even bothered with reaching out to them” (Interview: 14 June 2013).

Indeed, many express unhappiness with this focus on the elite. Journalist Zahid Husain says: “The US is always trying win over the elite because they have a good relationship with the military, but that is not actually the purpose to be served. Now, instead of looking at the people, they are more focused on the elite...as a country, I feel ashamed when they always expect something” (Interview: 15 June 2013).

Businessman Ikram Seghal gives the view that the focus on the elite is unnecessary as their hearts and minds have already been won: “It is wrong. The elite will always be pro-America in that sense. I tell people in discussions *show me an anti-American demonstration and I will set up a booth to give them all visas [to the United States] and I’ll see how long the demonstration lasts*” (Interview: 25 July 2013).

Only five respondents argue that the US is trying to win over the masses, or both the masses and the elite. Bilal Mehboob, Secretary-General of the Pakistani Institute of Legislative Development and Transparency, an organisation that works with USAID, points to evidence of the efforts the US is making. He believes the United States “wants all Pakistanis, not necessarily the elite.” Mehboob argues the US has made sincere efforts to improve its image in Pakistan:

I saw one former US Ambassador painting a primary school herself, and asking the media to come, because they want to show they care. It is not something which they are just putting up as an act; I think they sincerely want to win over Pakistanis. I think their effort is to reach everyone, the critical mass at least (Interview: 29 May 2013)

Others think that the US is trying to reach the masses, but that this goal is undermined by conflicting policy efforts. Raza Rumi from the Jinnah Institute says:

To give credit to the civilian, State Department view, they want them both [elite and masses], but the problem is that the US does not have a monolithic policy, it has three policies: the Pentagon policy, the CIA policy and the State Department policy – there is a fourth, the sort of converged balancing act by the Oval Office. Part of that chaos is also reflected in the way they want to set out to win hearts and minds. (Interview: 29 May 2013).

Four respondents think that the United States is not trying to win hearts and minds at all. Those in this category subscribe strongly to an (even more) realist view of US policy: for example, a view that the US is simply pursuing particular military and security goals, with a focus on Afghanistan. Amina Khan from the Institute of Strategic Studies in Islamabad says:

I don't know whether they are trying to [win hearts and minds] because they are very busy in Afghanistan and at the end of the day, I am wondering do they even really need to? I question their effort since there is so much that they can do, but I don't think that they have done much towards making a sincere effort over the past 12 years (Interview: 29 July 2013).

### *6.3.2 US elite views*

As Table 6.2 shows, US responses starkly contrast with responses given by the Pakistani elite and are evenly divided between the elite (30 per cent), mass public (20 per cent), and both the elite and mass public (40 per cent). Only 7 per cent of respondents do not think the US was trying win over either group. The different responses are examined in this section.

30 per cent of the elite argue that the United States is focused on winning the hearts and minds of the elite in Pakistan. A wide variety of justifications are given. Some make the point that winning the hearts and minds of the elite is important to achieving US realist goals – and this has been the case throughout history. Shuja Nawaz points to research he has done tracking aid flows and types of government in Pakistan:

They end up working with the elite...We tracked US assistance to Pakistan over the past 40 years. If you juxtapose on that the governments that existed during those periods, you will see assistance peaks when there is a military government, but there are minor leads and lags...That is not lost on the Pakistani population. It is lost in the US - that this is the way they are perceived. Ten years of Musharraf was perfectly fine for the US, they probably wanted him to stay on (Interview: 15 March 2012).

Some of the US elite are comfortable with what they perceive as a focus on the elite, or indeed argue that more should be done to win over the elite, particularly in the

context of drawing down US engagement in Afghanistan because the US will need Pakistan more; not only for logistics reasons, but to create an environment where the US, the Taliban, and the Afghan and Pakistani governments can constructively engage on political settlement talks: “Ideally we would like Pakistan to help in the reconciliation process with the Taliban” (Interview: Joshua White, 12 March 2012). Others are critical of what they see as the emphasis on the elite. Zubair Iqbal, who worked at the IMF for 35 years and served in missions to 54 countries, says: “They [the United States] don’t need to win the hearts and minds of the elite, they are already in their pocket. Why should the elite bite the hand that feeds them? The US considers the common man as the enemy, the minute you do that, you have lost it” (Interview: 8 March 2012). Danny Cutherell at the Centre for Global Development argues that the US targets the elites simply because it is easier: “They [the US] have a lot better chance with the elites than with your average Pakistani” (Interview: 5 March 2012). S. Akbar Zaidi, a professor at Columbia University, concurs adding: “The elite are easier to buy off and they can do it through different means – like processing visas quicker, which keep the elite very happy. If the US comes to set up a women’s shelter [in Pakistan], few people know about it and few people care about it” (Interview: 22 March 2012). The Pakistani elite also make this critical observation, as outlined in Section 6.3.1.

One-fifth of respondents consider the US is focusing on winning the hearts and minds of the ordinary Pakistani or the mass public, and two-fifths that the US seeks to win the hearts and minds of both the masses and the elite.

Some take what they perceive to be the US government’s fixation on polling as a sign the US wants to win over the masses. Andrew Wilder from the United States Institute of Peace has conducted hearts and minds research in Pakistan (Wilder 2005), and suggests: “The interest now is the mass public, the US is very fixated on polling numbers and that is not an elite thing” (Interview: 6 March 2012).

Steve Coll at the New America Foundation, who has visited Pakistan more than 70 times recounts an example of the United States’ focus on polling in Pakistan:

I remember sitting in the [US] Ambassador’s office [in Islamabad] in 2009 and an aide walked in and said ‘we got the latest polls, great news, our

favorability rating has doubled from 3 per cent to 6 per cent'. Does the US really want to spend all of that time, energy, talent and money on trying to get people to like us? (Interview: 13 March 2012).

Coll's perception noted above reflects the frequent polling that the United States does conduct in Pakistan. For example, a survey that was conducted in 2012-13 of 2,500 Pakistanis showed that 45 per cent of respondents had heard of USAID and 15 per cent could name a specific sector of US assistance. Embassy staff note that awareness of the United States' aid program was trending upwards, which they interpret as a positive shift in acceptance of the aid program (Interview: US Embassy Islamabad, February 2013).

Coll also argues that the US focus on the masses is to try to create circumstances where aid is seen as a positive in the event that the Pakistani might have to do something that is perceived as negative by its people, a point which emerged in Chapter 4:

By and large the [hearts and minds] policies are based on the assumption that bottom up support for America's partnership will somehow create a favourable context for complicated bargains with the [Pakistani] elites that are sometime politically hard for the elite to sell. So they can lie about them to their own people, or they are locked into doing things that they might do if the US wasn't such a bogeyman for their constituencies and so on (Interview: 13 March 2012).

While not explicitly stated, the inference is that aid is meant to make the public better disposed to the US so as to reduce the cost of cooperation by Pakistan on drone strikes and other US realist policy goals.

A small group of the elite (7 per cent) posit that it has never been the intention of US policy to win hearts and minds in Pakistan. Wendy Chamberlin, former US Ambassador to Pakistan and now President of the Middle East Institute, says: "Of the major concerns the US has, winning hearts and minds is not one of them...I don't think American popularity is what we really care about. We would like Pakistan's



government to be popular. We would like it to provide for its own people, which it is not doing” (Interview: 9 March 2012).

Steve Coll, quoted earlier, also echoes this sentiment, agreeing that it should not care what Pakistan thinks about the United States. “I don’t think what Pakistanis think about the US matters at all. It shouldn’t be a priority of the United States to try to win over Pakistani public opinion” (Interview: 3 March 2012).

US elite opinion of the United States’ approach to winning hearts and minds in Pakistan demonstrates that the elite does not agree on who the US is targeting nor why. Chapter 3 also noted a lack of consensus when it came to identifying Pakistan’s challenges. This demonstrates the differences in opinion within the US elite community, and is perhaps reflective of the fact that US policy is also not cohesive, as pointed out by a number of Pakistanis in Chapter 4. The next section discusses the results presented in Sections 6.2 and 6.3.

### 6.3 Discussion and conclusion

The US rhetoric around “winning hearts and minds” in Pakistan is plentiful. Why hasn’t aid helped win hearts and minds there? And whose hearts and minds is the US trying to win in any case?

The first conclusion of this research is that US aid to Pakistan appears impotent to influence public opinion in the face of much larger, and negative forces. Aid cannot undo the negative impacts of US foreign policy, whether in Pakistan or worldwide, today or in the past. Morgenthau (1960) was perhaps the first to note that the influence of aid can be undermined by perceptions of the politics of the giver. He writes:

If the recipient continues to disapprove of the political philosophy, system and *objectives* of the giver, despite the aid he has received, the political effects of the aid are lost. Economic aid remains politically ineffectual as long as the recipient says “aid is good, but the politics of the giver are bad” (p. 535).

From the Pakistani elite responses, it is clear that most think “the politics of the giver are bad”. Salma Malik at Quaid-i-Azam University in Islamabad highlights this when she contrasts the US aid program trying to do good in Pakistan, with US foreign policy in Pakistan which negatively impacts the average Pakistani:

For an average Pakistani on the street who picks up a 3Rps [3 cents] newspaper, it [aid] is not visible. What is visible is the drone strike that kills so many people and the tragic photos. So even if the US puts \$1 trillion in aid, that photo of a young child killed by a drone strike would carry far more weight and psychological impact. That is a very unfortunate reality. It totally imbalances any good work the US does (Interview: 3 October 2011).

The Pakistani elite’s views of the United States are influenced heavily not only by the United States’ other contemporaneous foreign policy actions in Pakistan, but by US foreign policy actions globally and by the US’s history in Pakistan. Dennis Kux, in his history of US-Pakistan relations between 1947 and 2000, concludes his detailed account of engagement between the United States and Pakistan as follows:

The legacy of past dealings with the Americans has been negative. A sense of resentment and distrust of the United States pervades Islamabad... There is a popular saying among Pakistanis, only half in jest, that their country’s fate is determined by three As: Allah, the Army, and America (Kux 2001, p. 365).

The research also reveals that not only is aid impotent in the face of broader forces, but the aid itself is not necessarily popular. Nearly half of the Pakistani elite are recorded as naming both a foreign policy reason *and* a specific aid reason for why US aid cannot positively influence public opinion. More generally, this chapter shows that the Pakistani elite have overwhelmingly negative views of US aid. They tend to believe that aid is not based on what Pakistan needs, that it is still heavily skewed to the military, that it is invisible and ineffective, and that it is lacking in tangible achievements. They see it as only given *quid pro quo*, for leverage, and as inadequate compensation. In summary, the realist objectives of US aid *do* appear to undermine its potential for winning hearts and minds.

Finally, on the second research question of whose hearts and minds, I find a strong majority of the Pakistan elite (74 per cent) believe that US aid targets the elite,

whereas the US elite are much less sure and more divided on this issue. Only 30 per cent of the US elite believe that US aid targets the elite. 40 per cent of US respondents think the US is trying to win over both the elite and masses, and another 20 per cent think the focus is on winning the hearts and minds of the masses.

These results are consistent with those in Chapter 4 where the US elite was found to look at US aid to Pakistan more through a nation-building lens than the Pakistan elite. There US respondents gave much more weight to US governance and political objectives for Pakistan than Pakistani respondents did. Here, they are more likely to agree with Special Representative Holbrooke that one aim of aid was to get “average Pakistanis ... to see a benefit in having a relationship with America.” (Nasr, 2003, p. 79)

Why is the US unable to convince Pakistan of its intent to reach the masses, and improve public opinion? The simple answer would seem to be that the lens through which Pakistan views the US engagement with their country. If the US is primarily focused on realist objectives, then it *must* be focused mainly on the elite. This view is expressed most clearly in the quote from Dr. Simbal Khan used earlier in the chapter – “usually some kind of security agenda is underlying this engagement” and in the opening quote from Adnan Aurangzeb – “there is no economic interest that the US has with the ordinary Pakistani. So far the US only has military interest.”

Shifting this perspective of US aid – convincing the counterpart of the genuineness of its nation-building intentions – is clearly not easy given the weight of history, and something that the US largely failed to do.

## Annex 6.1: Pakistani elite perceptions of Pakistan's challenges – categorisation (number of respondents)

US foreign policy – in Pakistan	US foreign policy - global	US aid policy		
Drone strikes (6)	US policy towards Israel-Palestine (4)	Aid not visible (8)	US pressure for aid visibility is negative (1)	No contact at grassroots level (1)
US violates Pakistan's sovereignty, including through covert operations (4)	War on terror policy (2)	Too much aid goes to the military (6)	US reminds Pakistan of aid too often (1)	US trying to do too much with aid (1)
Existing negative narratives of the US (particularly relating to US engagement post 1989 after Afghan war) (3)	US policy in the region (1)	Aid is not flowing to Pakistan (3)	US uses aid for other reasons - like spying (1)	Aid not provided to the right sectors (1)
US-Pakistan History (2)	US has a non-comprehensive South Asia policy (1)	Aid is transactional (3)	Aid used as carrot (1)	Terms of aid are dictated by the US (1)
US after Pakistan's nukes (1)	Deep distrust of US - linked to US policy in Muslim world (1)	Aid seen as bribe (2)	US needs to stop seeing aid as a favour (1)	Not clear what US aid does for Pakistan (1)
Wikileaks showed negative US policy in Pakistan (1)	Negative opinion developed from first Afghan war (1)	Not a significant proportion of the population has been positively influenced by aid (2)	Aid should be balanced taking into account Pakistan's losses in the war on terror (1) (1)	Aid not getting to the masses (1)
Interference in Pakistan's domestic affairs (1)	US support for India (1)	Aid provided is not enough money (2)	US been trying to buy off opinion (with journalists) (1)	Aid given directly to Pakistani Government (1)
Lack of US policy clarity (1)		Aid seen as a payment for WOT and is therefore not enough money (2)	Need a longer-term program (1)	Want <i>Reconstruction Opportunity Zones</i> (1)
America doesn't understand Pakistan (1)		US created Pakistani dependence on aid (2)	Other motives behind aid (1)	Not enough 'brick and mortar' projects (1)
US support of dictators in Pakistan (1)		To much aid going back to its own contractors (2)	Aid used as a strategic tool (1)	US doesn't understand local issues (1)

US policies in Pakistan (1)		US not good at selling aid (1)	Linkage of economic aid to military issues (1)	Limited involvement of local politicians (1)
Anti-US sentiment in general (1)		Aid too slow (1)	US aid policy is not transparent (1)	Civilian aid push too late (1)
US double standards (1)		Aid relationship based on national security interests (1)	Misperceptions of aid in Pakistan and the US (1)	Aid can't win hearts and minds (1)
US needs to better manage perception in Pakistan (1)		Information on aid not filtered down to the public (1)		
US policy not consistent (1)				
US trying to solve political problems with economics (1)				
US is main cause for Pakistan's downturn (1)				
US making Pakistan be involved in war that is not Pakistan's to fight (1)				
Stop-go relations (1)				
Overall negative sentiments (1)				
Relations are government to government not people to people (1)				
US demands conflict with Pakistan national interest (1)				

\* As noted in Chapter 2, Section 2.7.4, qualitative interview responses have been categorised or coded into broad headings or themes in order to do some basic quantitative analysis on the data.

## Chapter 7: Where to from here? Elite ideas for policy change

*“I would want to take a much longer term approach and say to the Pakistanis, try to find some common ground, but also say we are here for the long-term...This idea of thinking about Pakistan in the long-term rather than in the short-term is front and centre. Think about the 10 to 20 year time frame, not what you want out of the Pakistanis next year.”*

*Danny Cutherell, Centre for Global Development (Interview: 5 March 2012).*

*“This is your country - finally stop expecting the US to solve every problem of Pakistan.”*

*Senator Mushahid Hussain, Chair of the Senate Defence Committee (Interview: 24 October 2013).*

## 7.1 Introduction

Previous chapters have established that, the Obama pivot towards nation-building notwithstanding, there is a persistent perception that the United States is in Pakistan to achieve its realist objectives above all else. They have also revealed considerable frustrations on both sides of the relationship with US aid and broader foreign policy towards Pakistan. This chapter examines what the elite would change about their respective government's policy, in the context of Pakistan-US relations. Specifically, it examines the support for and credibility of the often-heard view in the literature that the US should shift to more of a nation-building approach in Pakistan.

As outlined in Chapter 2, there is a large literature on Pakistan-US relations. Kux (2001) provides a comprehensive overview of Pakistan-US relations from 1947 to 2000, including of relations under each US Administration, from Truman to Clinton. Riedel (2011), Schaffer and Schaffer (2011), Samad (2011), Butt and Schofield (2012), Haqqani (2013), Markey (2013) and Gall (2015) all describe the key themes, complexities and ambiguities in US-Pakistan relations in the post 9/11 period. A number of these authors also include policy recommendations. Several have a strong nation-building focus. For example, Samad (2011) analyses five main players in Pakistan and their impact on the state: the people, the army, the Islamists, the politicians and the Americans. He makes several policy recommendations, all in a nation-building vein:

The White House needs to change its focus from containing Pakistan to transforming it... by subtly nurturing and developing good governance and democratic practice and persuading the country that the US is here to stay this time (p. 272-273).

And

Washington needs to move away from its singular obsession with security. It is this fixation that led us into the present quagmire and the emphasis should be on sensitively encouraging democracy, good governance and political and judicial reforms, and granting access to its markets for Pakistani products (p. 274).

Markey (2013) also advocates for more nation-building in Pakistan and sets out two options for cooperation in US-Pakistan relations going forward: a “military-first” option and a “comprehensive cooperation” model, more in line with nation-building. He comes down firmly on the side of the latter:

Comprehensive cooperation takes seriously the notion that the only way to achieve long-term security goals in Pakistan is for its people to build a stable, more healthy society. Measures short of that are, at best, stopgaps. At worst, narrow US policies designed to meet immediate needs actually contribute to Pakistan’s instability (p. 222).

And

US assistance might be better used to assist Pakistani development, grow its economy, and contribute to the nation’s stability in ways that also serve the American interest (p. 231)

Likewise, Fair (2009a) calls for “more resources and attention to rebuilding and professionalising Pakistan’s civilian institutions” (p.150).

The objective of this chapter is to explore the nation-building arguments of those such as Samad, Markey and Fair. First, how widespread is support for a greater focus on nation-building among the US elite? And, second, what does the Pakistani elite think of this view?

This chapter draws on two interview questions. The US elite were asked: “What is the one thing you would change in the United States’ policy towards Pakistan?” And the Pakistani elite were asked: “What is the one thing you would change in Pakistan’s policy towards the United States?” These questions were posed following the question on Pakistan’s needs (Chapter 3) and US wants (Chapter 4) and before the series of questions focusing on leverage and perceptions of the US (Chapters 5 and 6).

This line of questioning is a little different to that reported on in the rest of this thesis, in that both groups of elite were asked similar but not identical questions. The question to the US elite clearly addresses the research question of this chapter: Should the US emphasise nation-building more? The question to the Pakistani elite cannot



answer this question, but, as I will show, helps us get at the issue of whether a conclusion that the US should focus more on nation-building is in fact credible.

To summarise the findings, this chapter does indeed find strong support within the US elite for the view that there should be a greater balance of nation-building in US policy. About half the responses from the US elite can be classified as in support of nation-building. However, when turning to the views of the Pakistani elite views, I find an unsupportive environment for a greater emphasis on nation-building on the part of the US. What the Pakistani elite want is, in general, a more equal relationship, and, in particular, less aid dependency. The Pakistani elite agrees that Pakistan needs improvements in governance, but it looks within for change (to get Pakistan's own "house in order", as it was often put) rather than to the US for help. If anything, the US is seen as part of the problem, not the solution. This common response on the part of the Pakistani elite casts doubt on the credibility of the widespread US elite position in support of nation-building.

This chapter is organised into four sections. Section 7.2 presents US elite ideas for policy change and Section 7.3 examines the Pakistan elite's perspectives on this issue. Section 7.4 discusses both sets of responses and concludes.

## **7.2 What would the elite do differently? US elite ideas for US policy change**

The US elite were asked, "What is the one thing you would change in the United States' policy towards Pakistan?" 32 respondents gave 34 responses. Six US elite were not asked this question. Four IFI respondents were not asked because it was not within their domain to comment on US foreign policy and two think-tank respondents were not asked due to time constraints.

I use the same method as in earlier chapters to analyse the responses, that is, grouping responses into similar categories. I use nation-building reforms and realist reforms as two categories. As Table 7.1 shows, just over half of the responses (19) advocate for a policy change that are nation-building in nature. Almost one-fifth (7) argue for a

realist reform. Not all responses cannot be categorised using this simple dichotomy. Eight responses argue that what is needed is more US credibility, and one argues for more trade. To cater for these, “improve US credibility in Pakistan” and “other” were adopted as additional categories. The grouping of responses into categories is shown in Annex 7.1 (where as in other chapters, responses are summarised using “headlines” or key words).

**Table 7.1: Ideas for policy change – US elite (most popular in each category reported)**

	Total number of responses (% total responses)	Total number of respondents (% total respondents)
<b>Nation-building reforms</b>	19 (56%)	17 (53%)
<b>Realist reforms</b>	7 (21%)	7 (25%)
<b>Improve US credibility in Pakistan</b>	8 (23%)	7 (25%)
<b>Other</b>	1 (2%)	1 (2%)
<b>Total</b>	<b>34 (100%)</b>	<b>32 (100%)</b>

### 7.2.1 Nation-building reforms

A little over half of the policy elite argue for “nation-building” policy changes. A few ideas were particularly popular.

The most popular single response is for the US government to “take a long-term approach”. Five respondents gave this view. I categorise this as a nation-building reform given that most of the US realist policy goals are short-term and security focused. The responses provided here indicate that the US elite wants to move away from this short-term, transactional cycle towards a longer-term and sustainable engagement. Danny Cutherell from the Centre for Global Development, who provides one of the opening quotes to the chapter, is one who argues for a long-term approach to Pakistan, as per his remark quoted at the start of the chapter.

Shamila Chaudhary at the New America Foundation provides a similar critique: “The US has no long-term strategy for its relationship with Pakistan. They have a strategy based on the war in Afghanistan” (Interview, 14 March 2012).

The second most popular grouping of responses sees some of the US elite suggesting that the US should completely reset relations with Pakistan. Again, this is categorised as a nation-building reform since the aim is to remove the focus from the current realist pre-occupations of the day. Steve Coll, President of the New America Foundation would reset relations with a view to “normalising” the bilateral relationship to move away from the strong military to military focus that has persisted throughout history: “I would use all reasonable means to reduce drone strikes on Pakistani territory. I would try to eliminate the program and try to find some way to change the partnership with the Pakistani military” (Interview: 13 March 2012).

All of the other responses within the “nation-building” category are provided by only single respondents. Former Ambassador to Pakistan, Wendy Chamberlin, argues that the US should reduce its physical presence in Pakistan to help “normalise” relations: “In retrospect I don’t think we should have built up such a large presence there. We should not have employed all of these guys like Raymond Davis [see also Chapter 6]- I would have done that differently. Not built a big compound...kept a normal profile, a normal [sized] embassy” (Interview: 9 March 2012). Implicitly, the Ambassador is critiquing the US’s large security presence in Pakistan.

Robert Hathaway at the Woodrow Wilson Centre argues that US policy should work harder to positively shape public opinion of the US. Hathaway considers anti-American narratives, both at the elite and mass public level, make it potentially difficult for the United States to get any policy traction in Pakistan:

There is a near universal perception in Pakistan that America is anti-Pakistan, that America is the enemy and that America doesn’t care about Pakistan except for its own narrow interests. Until we can get beyond that widely held perception in Pakistan, I don’t see much possibility of stabilising our relationship or building a long-term constructive partnership (Interview: 7 March 2012).

Michael Kugelman at the Woodrow Wilson Centre also thinks more needs to be done to improve public opinion, and suggests: “[W]hy not have [US] diplomats in Pakistan appear more on non-English language outlets...there is engagement on people-to-

people levels but there is none of the United States Government engaging with the Pakistani people” (Interview, 7 March 2012).

Consultant Polly Nayak thinks Congress has too much influence in setting aid policy and the conditions Congress hangs off aid are largely unhelpful, particularly with respect to Pakistan:

I would cut Congress down – civilian assistance is a goodwill gesture, which places aspects of the relationship beyond the use of carrots and sticks. That would be the best way to demonstrate to Pakistan that our relationship is longer than the US CT (counter-terrorism) strategy...We have to be appropriate, respectful and demand driven with foreign aid and that is not what we are doing now, which is largely determined in Washington” (Interview: 15 March 2012).

A variety of respondents put the need to focus more on nation-building in a number of different ways, whether by talking about reducing drone strikes and military aid; calling on the US to stop viewing Pakistan through a 9/11 lens; changing the aid narrative so that aid is not seen as a bribe; and not trying to use economic aid to obtain security leverage.

### *7.2.2 Realist policy reforms*

Not everyone wants more nation-building. One-quarter of the elite advocate for a realist policy reform. A wide variety of responses were grouped under this category, with the only response to be repeated by more than one person being the recommendation that the US promote peace between Pakistan and India. Bruce Riedel at the Brookings Institution supports not only as a way to improve regional security, but as a means to improve policy outcomes in Pakistan (an interesting example a realist strategy with nation-building benefits!). He says: “To me that [improving relations between Pakistan and India] is the single most important area to alter the dynamics of Pakistani decision makers” (Interview: 14 March 2012).

Others focus not on India but Afghanistan. Paul Pillar from Georgetown believes that greater attempts at regional diplomacy must be made by the US:

I would be more active on trying to get regional diplomacy going on in Afghanistan and that involves the Pakistanis in a big, obvious, major way, as well as the Indians, as a way of trying to relieve their [Pakistan's] concern about not having enough of an influential role on how the dust is going to settle in Afghanistan (Interview 15 March 2012).

### *7.2.3 Improve US credibility in Pakistan*

About one-quarter of responses were cast not in terms of taking a more realist or a more nation-building approach, but in terms of bringing greater clarity and credibility to US policy in Pakistan.

Both Shamila Chaudhary at the New America Foundation and Stephen Cohen at the Brookings Institution argue that the US should put its agreements with Pakistan in writing. Cohen remarks: "It seems silly and stupid, but I would put things in writing" (Interview: 8 March 2012). Chaudhary notes that in similar types of relationships, where aid is given for geo-strategic reasons, the agreements were in writing, which is not the case for Pakistan:

Egypt is the best example – we have similar types of relationships with those countries (Jordan, Israel) where they get a huge chunk of money, with very little accountability, a blank cheque basically in exchange for partnership or cooperation on security issues. In the case of Israel, Egypt and Jordan, a lot of that was based on the Camp David Accords, they were formalised. That didn't exist in the Pakistani context. The expectations existed. But there was nothing binding anyone to those expectations. That was the problem (Interview: 12 March 2012).

This could be interpreted as expressing a realist point of view: making it explicit that the relationship is about security. However, it is equally a critique of the confusion that is seen to surround US policy in Pakistan, and the failure to follow through on earlier promises, or threats. Danielle Pletka at the American Enterprise Institute develops this line of argument further:

There is no imagination in our foreign policy... There is total continuity in the dumb things we continue to do, as if believing – what is the definition of insanity? Doing the same thing again and again and believing you will get different results... You can't change history, you can't go back. That is the problem; we have trained them, [Pakistan] like we have trained the Iranians and the North Koreans, not to take us seriously. We say things are unacceptable when they are acceptable and we accept them. We tell them that they are not going to receive assistance from us if they do certain things and they do them anyway and they continue to receive assistance. So A.Q. Khan runs the nuclear Wal-Mart around the world and there aren't consequences... You harbor bin Laden and everyone down from him, you sponsor the Taliban, you help al Qaeda, Lashkar-e-Taiba... and we don't do anything, so you think you can do it. It is the work of decades to reestablish the relationship and that would require that we actually had to do these things [credibly] (Interview: 13 March 2012).

Two of the elite raise the specific option of making aid more contingent on performance indicators in order to improve policy outcomes. Robert Lieber at Georgetown points out: “The key thing is trying to make aid more contingent and having performance indicators. In effect, saying, we want to help you, we need to help you, but we won't be able to help you unless the following things take place... it will be hard for us to provide military and civilian aid unless you are performing in a certain way” (Interview: 14 March 2012).

This call for credibility is independent of whether the objectives of aid are for nation-building or realist ends. Stephen Cohen at the Brookings Institution agrees the United States should insist on “specific criteria for the aid and for specific results”. Cohen would alter the way US conditionality is imposed on aid to Pakistan: “They [Pakistan] should be the ones telling us what they are going to do for the aid. It shouldn't be us. We shouldn't tell them what we expect from their aid. They should tell us what they can give us for x amount of aid and we should hold them to those criteria” (Interview: 8 March 2012).

In summary, there is significant support among the US elite for the view, prevalent in the published literature, that the US should give still greater weight to nation-building in its objectives in Pakistan. However, a significant minority dissent, and favour a more realist, or at least a continued realist approach. And another minority argues that the issue is not realism or nation-building, but credibility.

### **7.3 What would the elite do differently? Pakistani elite ideas for Pakistani policy change**

To recap, I asked the Pakistani elite the question: “What is the one thing you would change in Pakistan’s policy towards the United States?” and I use the answers to this question to shed some light on whether the widely-supported urge to give more emphasis to nation-building on the part of the US elite would be well-received in Pakistan.

The sample size for this question is 36 and 39 responses were provided. Four Pakistani elite were not asked this question, as they were interviewed prior to the questions being amended, and did not provide responses in a follow-up email process. (As noted in Chapter 2, the questions posed to the Pakistani elite changed slightly to reflect the US questions following fieldwork in the United States.)

As elsewhere, responses are categorised into obvious groups. Four categories are required. Annex 7.2 shows how responses are categorised, and Table 7.2 below shows the popularity of the various categories.

Note that a categorisation using the terms ‘nation-building’ and ‘realism’ is not appropriate with regards to this question. These terms refer to choices donors make not recipients of aid. Here, I am concerned with what Pakistan should do, not the US. Study of the responses resulted in a choice of the four categories shown in Table 7.2, namely, in order of popularity: promotion of equality and sovereignty; improvement in Pakistan’s policy making capabilities; improving Pakistan’s relationship with its neighbours; and a residual other.

**Table 7.2: Ideas for policy change –Pakistani elite**

Category	Total number of responses (%)	Total number of respondents (%)
Promote equality and sovereignty	17 (44%)	15 (42%)
Improve Pakistan’s policy making	12 (30%)	12 (33%)
Improve relationship with Afghanistan or India	7 (18%)	6 (17%)
Other	3 (8%)	3 (8%)
<b>Total</b>	<b>39 (100%)</b>	<b>36 (100%)</b>

### 7.3.1 Promote equality and sovereignty

Almost half of responses I classify as relating to “promoting equality and sovereignty”.

The most popular response overall (in any of the four categories) from the Pakistan elite is for Pakistan to have less dependency on other countries, including in relation to aid. A total of seven responses were along these lines.

Some of the elite advocate that Pakistan should stop accepting aid altogether, so that Pakistan can stand on its own two feet: “Pakistan should not ask for aid from the US, the focus should be on trade and US support in Pakistan’s dealings with international institutions” (Interview: Jehangir Karamat, former Chief of Army Staff, 4 May 2012). Asad Umar, CEO of the Engro Corporation and President of the Pakistan Business Council (now PTI Member of the National Assembly) takes an equally radical approach:

I have argued that, from Pakistan’s point of view, I would rather that no aid flowed. It has nothing to do with politics. It is because Pakistan’s fundamental problem is refusing to take responsibility for our country. And each time aid flows into the country, it allows us to postpone that responsibility” (Interview: 20 February 2012).

Others are not against aid per se, but want to see change in the US-Pakistan aid relationship, in particular to a less transactional approach. PTI politician Shafqat Mahmood says about the US that: “They have to start treating Pakistan as a sovereign



country, one that wants friendly relations with the US. We have to stop using this kind of stop-start leveraging of our position – for example we open supply lines if you pay us \$5 million. That is a bit demeaning” (Interview: 4 June 2013).

General Talat Masood, while also not advocating for a complete halt to aid, highlights why he thinks aid dependency is a problem:

Pakistan has to understand that it cannot receive economic assistance or military assistance without a quid pro quo. It has to understand that it has to surrender something; either its sovereignty or it has to accept certain demands, which may even be against its own wishes or contrary to its national image. So Pakistan has to look inwards in order to improve its relations with the US (Interview: 28 May 2013).

Overall, there is a strong sense that aid dependency is a problem in Pakistan – and that it is harming Pakistan’s ability to progress and develop.

One respondent focuses not on aid dependency but on psychological dependency. Senator Mushahid Hussain, Chair of the Senate Defence Committee wants to overhaul the way Pakistan makes policy vis-à-vis the United States by reducing “the psychological dependency syndrome of the Pakistani elite”, encompassing the political, civilian and military elite. Senator Hussain downplays what the United States can offer Pakistan. What follows is a longer version of the quote from Senator Hussain, which opens this chapter:

We should stop depending so much on the United States. The US has very little to offer in terms of military support, frankly speaking...there is too much fear of the US, *what will the US say if we do this?* Forget about that and make our own policies... Our elite should have more national self-confidence, stand on their own feet and stop looking over their shoulders [to see] how Washington is thinking. This is your country - finally stop expecting the US to solve every problem of Pakistan” (Interview: 24 October 2013).

Closely related to this concern with dependency, a number of the Pakistani elite call for greater equality and friendship in the relationship. The lack of “sovereign equality” and the failure of the US to treat Pakistan as an equal partner is noted by

several of the Pakistani elite. Member of the National Assembly for the PML-N, Dr Tariq Fazal Chaudhary advocates for “equal, friendly relations” (Interview: 31 May 2013). Along similar lines, Shahzad Bangash, Secretary of the Planning and Development Commission in the Federally Administered Tribal Areas, thinks Pakistan must change its policy in order to make the relationship more equal: “I would rebuild the relationship on equal terms and I would say that, *you are our strategic partner, you are our development and economic partner* but we should not be dictated to by the United States” (Interview: 25 July 2013).

Third, the elite wants Pakistan to start acting in its own self-interest. The elite are critical of Pakistan’s approach to its relationship with the United States, painting Pakistan as a “yes man” who will do whatever the US asks. Brigadier A.R. Jerral, retired from the Pakistani military, and a contributor of regular opinion pieces in Pakistan’s English media, thinks that Pakistan needs to better spell out its interests and ‘red lines’ to the United States: “We need to be up front and say *this is what we can do, and this is what we can’t do*. We also have our interests in the region. Once they [the US] understand that, which I think will be difficult, I think it will be okay” (Interview: 19 June 2013).

Similarly, Shafqat Mahmood, Member of the National Assembly for the Pakistan Tehrik-e-Insaf (PTI) says: “As long as you keep having this client-state mentality there will be problems. Change has to come from both sides – they [the Americans] have to stop looking at us as a client state and we have to get off that mentality” (Interview: 4 June 2013).

Finally, trade not aid is suggested in a group interview with three development economists from the Pakistan Institute of Development Economics at Quaid-i-Azam University. Dr Munir Ahmad said: “One thing that has been going on in the policy circles is that we want more trade rather than aid - so there is one factor which will help Pakistan in improving the relations, because then the relations will be on a long-term and sustainable basis” (Interview:, 20 February 2013). One other member of this group also discussed improving Pakistan’s relations with Afghanistan, which is captured in Section 7.3.3.

### 7.3.2 *Improve Pakistan's policy making*

One-third of respondents provide a response relating to improving Pakistan's policy making.

Amina Khan from the Institute of Strategic Studies Islamabad argues that domestic weaknesses undermines Pakistan's ability to prosecute its strategic interests and achieve policy clarity vis-à-vis the United States:

First and foremost you need to get your house in order. What the Americans are doing is they are following their national interest and why shouldn't they? Every country is meant to do that. I think the problem is with Pakistan's policies, and we need to formulate a policy on how we want to deal with the US... So you need to realise that more internal consensus has to be made. Because openly, we love to criticise America but at the end of the day, we keep on going to them for aid and at the end of the day, whatever the Americans say we do and tend to agree with them. So first and foremost, formulate a policy of your own and get your own house in order (Interview: 29 July 2013).

Clearer statements of policy intent, and better delivery of these statements would likely result in fewer miscommunications and misunderstandings between the US and Pakistan, which may reduce tensions in the relationship. Dr Simbal Khan at the Islamabad Policy Research Institute believes the first step towards greater policy clarity is to reduce the scope for misunderstandings:

Less ambiguity [is needed] first of all on both sides...the duality of the whole conflicting and cooperational aspects, of this relationship has created the need for a certain level of ambiguity in relations, which trickle down to all aspects [of the relationship]. It trickled even to security systems and counter terrorism, it's trickled down into how both the countries related to the immediate neighbourhood of Afghanistan. That ambiguity didn't help the US and it didn't help Pakistan's relations with the US. I am hoping that we are moving to a phase where there is less divergence (Interview: 11 July 2013).

In addition, a number of the elite advocated for better exercise of diplomacy to find greater policy convergence between Pakistan and the United States.

Ambassador Akram Zaki, who has served as Ambassador to China, Nigeria, Canada and the United States, as well as a Senator representing the Pakistan Muslim League (PML-N) considers that Pakistan needs to maximise of areas of policy convergence between the United States and Pakistan and advocates dialogue to improve relations:

There are two types of people in our government – what I call the *surrenderists* and the *confrontists*. I think surrender policy is wrong and confrontational policy is wrong. My policy is no confrontation, no capitulation. But [we need] patient, dignified and continuous negotiation and dialogue. My theory of diplomacy is that the age of friends and foes is over. Every two countries have common interests and divergent interests. The function of diplomacy is to expand the area of common interests and reduce the area of divergence. So we should control the divergence and expand the cooperation – for both the US and India (Interview: 21 January 2013).

This perception that the US is to blame for all of Pakistan's problems was prevalent more broadly during interviews with the Pakistani elite, and is certainly prevalent throughout the media in Pakistan.

There was also a perception that Pakistan needed to stand by the agreements it had made with the United States in order to overcome its credibility issues. Ambassador Qazi Humayan argues that:

We have also made mistakes... The folly has been more on our side in that sense. If we had stood by those agreements [in reference to a number of issues mentioned, including Pakistan's actions towards India during the Kargil war] and not done stupid things our relationship would have progressed. Economically we would have been better off, there is no doubt about that (Interview: 1 March 2012).

A couple of interviewees made the point that Pakistan needs to be more pragmatic, less emotional, and blame the US less. Abdur Rauf Khan Gandapur, Director at Oxford Policy Management, says: "The population across the board would have the perception that if my coat falls down, I would be blaming the Americans. This

attitude is across all of society, be it military, civil society, the bureaucracy, the general public and the politician” (Interview: 19 June 2013).

### 7.3.3 *Improve relations with Afghanistan or India*

17 per cent of respondents provide a response that I classify as a policy change relating to Pakistan’s policy approach in Afghanistan or India.

As noted in Chapter 4, cooperation in Afghanistan is noted as a major “want” for the United States according to both the US and Pakistani elite. Several respondents had suggestions in regard to Afghanistan, though not necessarily agreement. Ejaz Ghani, an economist at the Pakistan Institute of Development Economics argues that Afghanistan deserves more attention from Pakistan:

If I had the chance, I would first of all engage myself with Afghanistan, because we are two nations that will be here after the United States has left. We need to develop the trust between us, and once we have established this, then maybe the United States can come into the picture by helping us with whatever the issues or deficits which are still there (Interview: 20 February 2013).

Politician Ayaz Amir has the opposite view that Afghanistan overly colours Pakistan’s foreign policy, as it has done so throughout history:

Afghanistan has distorted our thinking for the last 30 years. Look at all of the news reports about the post-American withdrawal from Afghanistan and we talk about Pakistan’s influence and interests there. Our only interest or stake in Afghanistan should be, regardless of who rules Kabul – the National Alliance, the Taliban – should be a stable Afghanistan. But are we likely to get a stable Afghanistan very soon? I don’t think so. I think we are going in for a repeat of history. A repeat of the situation as it existed after 1989 (Interview: 5 February 2013).

India is also named as an issue that the Pakistani elite would like to see policy change towards. Although the question was phrased in terms of changing *Pakistan’s* policy, several could not help talking about how *US* policy should be changed. Consultant

Safia Aftab would ask the US to consider Pakistan's position towards India more readily: "The US has to appreciate that Pakistan's primary fear is always India. And they have to understand that Pakistan will need assurance of peace on its eastern border before it's willing to engage in a regional setting" (Interview: 17 July 2013).

Pakistan's zero-sum game mentality with respect to India is evident in several responses. Any enhancement in American engagement with India is seen to be at the expense of Pakistan: "Pakistan has concerns with the marked India tilt in US policy for South Asia" (Interview, former Chief of Army Staff, General Jehangir Karamat: 4 May 2012).

#### 7.3.4 *Other*

Two respondents indicate that change had to come first from the US, on the grounds that that is where the problems lie. Abdur Rauf Khan Gandapur, Country Director of Oxford Policy Management, said:

Right now, the step has to come from the Americans because to me, the gesture has to be from the American side. We have done everything [we can] but they do not trust us... (Interview: 19 June 2013).

Finally, one respondent, Raza Rumi, Director of Policy and Programs at the Jinnah Institute, argues for a broader relationship with the US, one less dominated by military links:

The problem with Pak-US relations is – and that has remained for probably five decades now – that it has been a military to military relationship, it has been CIA to ISI, and it has been a war-based or conflict-based relationship. It is not a relationship where Pakistan civilian and military wings of the state are engaged in a particular process. I mean, what are the key interests – public interests – of Pakistan as we speak? They are economic. It has to do with the energy crisis; it has to do with trading, opening up of world markets, getting technical assistance. It is not just about guns, F16s, defence technology. That is only one part. It is the overall engagement with the US that needs to take place - that still has to take place (Interview: 29 May 2013).

Interestingly, this response was the only one that explicitly provides any support for a greater emphasis by the US on nation-building.

More broadly, and in summary, about half the respondents emphasise the need for changes in Pakistani policy to enhance the country's sovereignty and equality vis-à-vis the United States. Another quarter emphasise the need to improve Pakistan policy-making capabilities.

#### **7.4 Discussion and conclusion**

This chapter finds broader support within the US elite for the view often found in the published literature that there should be a greater emphasis on nation-building objectives in US policy towards Pakistan. From this perspective, the problem with the Obama pivot to nation-building, and with initiatives such as the Kerry Lugar Berman Bill is not that they were attempted, but that they did not go far enough. More effort is needed. Not everyone in the US elite is convinced of this. Some still place the emphasis on realist objectives, and others recognise that, as this thesis has found, given the emphasis on them, the pursuit of a nation-building agenda will be difficult if not impossible. Nevertheless others emphasise not so much the nature of US objectives, but the need for greater credibility and consistency in pursuit of whatever those objectives are. Still, these are minority views. There is clearly substantial support for a greater emphasis on nation-building not only in the published literature, but in the US elite more broadly. (This is perhaps not surprising since that the published literature on US policy in Pakistan is almost entirely an American literature.)

Would a further rebalancing in favour of nation-building work? That is a difficult question to answer, but we can conclude on the basis of this chapter's findings that it would not be welcomed by the Pakistani elite. Certainly, the Pakistani elite are critical of their own government. But they also express resentment about being dependent on aid, and a desire for more sovereignty and equality in Pakistan's relationship with the US. Indeed, one of the self-critiques of the elite is that Pakistan fails to take responsibility: something which would only be exacerbated by greater US

assumption of responsibility for Pakistani governance. The combination of these views leads to a sentiment in favour of getting our “own house in order” or “nation-building DIY”.

Apart from wanting a less dependent relationship, there are at least two other factors which would seem to undermine support for nation-building among the Pakistani elite.

First, the Pakistani elite is skeptical of US intentions and in particular of the durability of the US-Pakistan relationship. Politician Ayaz Amir is one, predicting that the US will “wash their hands of us” once they leave Afghanistan. He also highlights the conflict in the relationship, which again would undermine a nation-building effort. Amir’s statement is worth reproducing at length:

There are people in Pakistan who think seriously that all the trouble is caused here by the American presence in Afghanistan...After the US is gone are the Taliban going to contact the Pakistani Army and say ‘thank you, here are our weapons’? The way Islamists talk about it is that we retreated one super power and now we are defeating another. After defeating two super powers, what becomes of Pakistan? The Americans are spending about \$7 billion in Afghanistan. But the new frontline won’t be Afghanistan, because the Americans walked away. The new frontline will be Pakistan. But they will, when talking about aid, wash their hands of us. They will say that we deserve it because we are duplicitous deserve every bit of what comes to us (Interview: 5 February 2013).

Second, some in the Pakistani elite view the US as part of the problem rather than the solution. Author Imtiaz Gul singles out the United States’ aid program as negatively impacting Pakistan over the long-term:

What has happened, both during Zia and Musharraf’s time, in their [the Americans] quest for control over beating al Qaeda or the Taliban, or the Soviet Union, they simply disregard transparency, accountability and fundamental human rights. They disregard requirements for democracy. The democratic structures get shaken and distorted as a result of the experience of the US. Both times it has been the US. I am not externalising Pakistan’s



problems, but I am saying we have a lot of problems, primarily driven by the Army and the elite, but the external factors precipitate those problems. They do not help in solving that, they simply add to the problem and this is what we suffer from (Interview: 17 November 2011).

There is little awareness on the part of the US elite that a tilt towards nation-building on its part might be met with skepticism and unease on the Pakistani side. As noted earlier, the literature on US policy to Pakistan is very much a US literature. This chapter suggests that taking Pakistani views seriously would lead to a questioning of the conclusions of much of that literature.

## Annex 7.1: US ideas for policy change (number of respondents)

<b>Nation-building policies</b>	<b>Realist polices</b>	<b>Improve US credibility in Pakistan</b>	<b>Other</b>
Take a long-term approach to US policy in Pakistan (5)	Promote peace with India (2)	Put things in writing (2)	Trade not aid (1)
Reset relations (away from security) (2)	Develop a broader policy strategy, particularly for CT/security (1)	Make aid more contingent on performance indicators (2)	
Overhaul communications, have a more effective communications strategy (1)	Convey that the US is leaving Afghanistan in 2014 (1)	Improve US credibility (2)	
Reduce drone strikes (1)	Develop a more realistic policy strategy in line with ground realities (1)	Be less trusting of Pakistan (1)	
Reduce focus on military aid (1)	Promote regional diplomacy (1)	Decrease Congress' influence in setting aid priorities (1)	
Project that US isn't anti-Islam in Pakistan (1)	Maintain a transactional relationship (1)		
Decrease US security presence in Pakistan (1)	Convey that the US doesn't need Pakistan (1)		
Don't use economic aid to get leverage for security policy change (1)			
Change aid narrative - currently it is very negative, that the US uses aid as a bribe (1)			
Stop viewing things through a 9/11 lens (1)			
Improve the perception of the US in Pakistan through greater public diplomacy (1)			
Better relations with the Pakistan civilian government (1)			

\* As noted in Chapter 2, Section 2.7.4, qualitative interview responses have been categorised or coded into broad headings or themes in order to do some basic quantitative analysis on the data.

## Annex 7.2: Pakistani ideas for policy change (number of respondents)

Promote equality and sovereignty	Improve Pakistan's policy making	Improve relationship with Afghanistan or India	Other
Be less dependent on others, including for aid (7)	More clarity in Pakistan's own policy (3)	Take a different approach to policy approach to Afghanistan (3)	US should change first (2)
Have more equality in the relationship with the US (4)	Try to get more policy convergence with the United States (3)	Seek more US help in engaging and making peace with India (3)	Move away from military-military relationship towards a more normal civilian-led relationship (1)
Engage more on Pakistan's interests (4)	Pakistan needs to stand by the agreements it makes (be more credible) (3)	Pakistan should not have become an ally in the war on terror (1)	
Trade not aid (1)	Be less emotional and more pragmatic in policy making and in interacting with other governments (2)		
	Have more confidence in the Pakistani leadership (1)		
	Pakistani Government needs to make foreign policy, not the military (1)		

\* As noted in Chapter 2, Section 2.7.4, qualitative interview responses have been categorised or coded into broad headings or themes in order to do some basic quantitative analysis on the data.

## Chapter Eight: Conclusion

*“American policy over the last ten or eleven years, since 2001, is in the midst of transition from a policy that began in Pakistan with a near total and myopic focus on what the Bush Administration defined as the war on terror, to a policy in the Obama Administration, which sustained many aspects of the Bush Administration’s approach. It tried to add civilian aid to a greater degree to balance the emphasis on military and intelligence cooperation but never really broke the narrative, because a principal objective of the Obama Administration’s engagement was the outcome of its investments in Afghanistan. So now there is a third phase – post-Afghanistan, which is evolving. This brings this Administration, for the first time, to a cleaner question: after all of the disappointments, the failures and so forth a clean question of what is our durable relationship. Since we have had the illusion scraped from our eyes, what do we want to reset around?”*

*Steve Coll, New America Foundation (Interview: 13 March 2012).*

## 8.1 Introduction

This thesis has examined the relationship between the United States' nation-building and realist (or, as discussed in Chapter 1, indirect and direct or long-term and short-term) objectives in Pakistan, exploring US and Pakistani elite perceptions to tell the story of US aid to Pakistan in the post-9/11 era. As discussed in Chapter 1, the realist objectives of US aid are short-term or direct. From this perspective, aid is viewed as a way to bind countries to align with the US, and to increase the likelihood that they will make foreign policy and security decisions consistent with US preferences. By contrast, the nation-building objectives of aid relate to reconstruction, development and the strengthening of governance. They are long-term goals, or indirect, in the words of Banfield (1963).

The relative importance and tension between these objectives in the Cold War has been examined by Sietz (2012) and Burnett (1992). However, this important aspect of US aid policy has not been studied in the contemporary context. There is no more valuable a context within which to undertake such a study as in the post-9/11 US-Pakistan context. Throughout this period, the US had clear realist objectives in relation to Pakistan: it gave it aid, both military and civilian, to secure its cooperation in the war on terror, and primarily in Afghanistan. As shown in Chapter 1 (see Section 1.4), during the period of research (2011-2013), the US tried to give greater emphasis to its nation-building objectives in Pakistan, even though it didn't use this terminology.

This concluding chapter summarises the main findings of this research (Section 8.2) and its limitations (Section 8.3). Section 8.4 outlines this research's contribution to the literature. This chapter also considers policy implications (Section 8.5) and recommendations for further research (Section 8.6). Final concluding remarks are made in Section 8.7.

## 8.2 Main findings

This thesis has pursued its research question primarily through interviews with the US and Pakistani elite. This section summarizes the findings of those interviews across

Chapters 3 to 6. It then goes on to consider the implications of these findings for our research question concerning the relative balance and tensions between US realist and nation-building objectives in Pakistan. Finally, it turns to Chapter 7 and its findings concerning elite views on what should be done.

In Chapter 3, Pakistan's future emerged as a "wicked problem". In particular, as per the first of Rittel and Weber's (1973) ten criteria for a wicked problem, there is "no definitive formulation" of the problems that ail Pakistan. Hence, the huge range of responses to this question, and the divergences across groups as analysed in the previous section. US respondents are particularly divided in their responses.

Both groups of respondents in general gave primacy to internal over external challenges. Some elite respondents did single out external challenges to Pakistan, most commonly mentioning Afghanistan, but that is only a minority, a third of Americans and a fifth of Pakistanis. The majority saw Pakistan's challenges through a nation-building lens.

Both groups also tended to stress the significance of Pakistan's economic challenges. This is not reflected in the majority of the literature on Pakistan's challenges, which tends to focus heavily on security, foreign policy and political issues.

The biggest difference between the two groups of elites was in the contrast between the stress on security by Pakistani respondents, and that on governance by the US respondents. The Pakistani elite stressed security-related challenges almost as much as the economy, whereas the US prioritises security-related challenges much further down the list. I argued that this reflects the recent upsurge in terrorism in Pakistan, and an emerging consensus in Pakistan, reflected also at the political level, that terrorism has now to be acted on, and so a shift in thinking from that revealed by Lieven (2011). By contrast, the US elite were, from a distance, perhaps slower to wake up to the domestic terrorism threat in Pakistan, were more focused on governance, a traditional priority for US aid, and, when it came to terrorism, were more concerned about terrorism which threatens the US, and so less with Pakistan's domestic terrorism.

Chapter 4 demonstrated that elite perceptions of what the US wants from Pakistan did not coincide at all with their perceptions of Pakistan's challenges. Despite 73 per cent of Pakistani and 58 per cent of US respondents naming an economic issue as the biggest challenge facing Pakistan, none of the Pakistani elite and three per cent of the American elite believed it was a top priority for the United States to help Pakistan to address its economic challenges. Rather the perception was that, when it came to Pakistan, the US was mainly focused on external goals, in particular in relation to Afghanistan, even if these were not of great intrinsic importance to Pakistan itself.

The analysis of Chapter 4 did reveal some differences in the views of the two elites. In particular, US respondents tended to give more importance to domestic Pakistani politics and governance when asked what the US wants. This finding supports the argument that the US did have nation-building goals for Pakistan over the period of analysis. Without such goals it would be difficult to explain the build up of civilian aid over this period, and the passage of the KLB legislation. However, in practice it was the realist objectives that were taken most seriously, especially by the Pakistani elite.

Chapter 5 analysed aid and leverage. Both countries' elites generally agreed that aid should have conditions. This did not mean that they liked it, or thought it worked, but they generally viewed it as an inevitable part of aid. Interestingly, views differed on whether the aid spigot is "frozen in the open position", as Burnett (1992) argues it should have been given the importance of Pakistan for the US, with the US elite generally arguing that it was, and the Pakistani elite generally arguing that it was not. I resolved this discrepancy in views by noting that the spigot was only partially frozen, and that both sides focused on their frustrations: the Pakistani elite that the US was able to buy influence through its aid, the US elite that it is not able to buy enough influence. While this finding modifies Burnett's conclusion, support was found from elite views for Burnett's other prediction that the impact of aid on economic reform would be undermined by the US's realist imperatives. Views on the efficacy of economic conditionality were evenly divided. More thought it had no effect than some, and one reason given was precisely that the credibility of economic conditionality was undermined by US strategic considerations.

Finally, Chapter 6 turned to the issue of “winning hearts and minds” in Pakistan. Why hasn’t aid helped win hearts and minds there? And whose hearts and minds is the US trying to win in any case?

My interviews suggested that US aid to Pakistan was impotent to influence Pakistani elite views in the face of much larger, and negative forces. According to the Pakistani elite, aid could not undo the negative impacts of US foreign policy, whether in Pakistan or worldwide, today or in the past. This finding confirmed the argument made many decades earlier by Morgenthau (1960) “[e]conomic aid remains politically ineffectual as long as the recipient says “aid is good, but the politics of the giver are bad”” (p. 535). Further, not only was aid impotent in the face of broader forces, but aid itself was not necessarily popular. Chapter 5 in fact showed that the Pakistani elite have overwhelmingly negative views of US aid. They tended to believe that aid was not based on what Pakistan needs, that it was still heavily skewed to the military, that it was invisible and ineffective, and that it was lacking in tangible achievements. They saw it as only given *quid pro quo*, for leverage, and as inadequate compensation. From these responses, it would seem to be clear that the realist objectives of US aid clearly *did* undermine its potential for winning hearts and minds.

On Chapter 6’s second research question of whose hearts and minds, I found a strong majority of the Pakistan elite (74 per cent) believed that US aid targeted the elite, whereas the US elite were much less sure and more divided on this issue. Only 30 percent of the US elite believed that US aid targeted the elite. 40 per cent of US respondents thought the US was trying to win over both the elite and masses, and another 20 per cent thought the focus was on winning the hearts and minds of the masses. Why was the US unable to convince Pakistan of its intent to reach the masses, and improve public opinion? The simple answer would seem to be that the realist lens through which the Pakistan elite viewed the US engagement with their country. The Pakistani elite viewed the US aid as focused on getting Pakistan to behave in certain ways, and, given this, it *must* be focused mainly on the elite.

The paragraphs above provide a summary of findings in terms of what the different groups of interviewees thought. These are themselves intrinsically interesting and



important findings. But can we go further? What do these findings have to say on the relative balance between realist and nation-building objectives of US aid? In fact, the findings all point in the same direction. They provide clear evidence that realist objectives trumped nation-building objectives when it came to post-9/11 US aid to Pakistan, and even post-2009, when there was a pivot to nation-building.

The responses of the US elite (in both Chapters 4 and 6) suggested that nation-building was taken seriously as a US goal in its relationship with Pakistan, but the responses especially from the Pakistani side indicated that the US failed to communicate and demonstrate its nation-building intent. Rather, all the results chapters suggested that the realist objectives continued to be taken more seriously. In addition, the findings concerning leverage and goodwill in Chapters 6 and 7 suggested that the pursuit of the realist objectives undermined the pursuit of the nation-building ones, by undermining the ability of aid to support economic reform and win goodwill.

How can this overall finding be explained? While the US and Pakistan are in theory allies, in practice their strategic interests diverge. In turn, this is because of the contentious and disputed nature of the partnership between the two countries in relation to Afghanistan and the war on terror more broadly. The continual renegotiation of the relationship over these issues, the never ending flashpoints and disputes sucked the air from the pursuit of broader, nation-building goals, and doomed that pursuit to failure. One might say that in the case of Pakistan under Obama it was not realist goals per se that undermined nation-building goals, but failure to achieve, and so move beyond, those realist goals.

This overall conclusion of the thesis was expressed most clearly by, of all the interviewees, Michael Krepon at the Stimson Centre in Washington DC:

US policy towards Pakistan is a function of ground realities. We can hope to change them at the rhetorical level and have tried to do so, for example, with the KLB, but ground realities are a powerful corrective. I don't have a good answer, because I don't know how to change ground realities. That is up to Pakistan and they are not ready for it or capable of it...(Interview: 13 March 2012).

The “ground realities” which Krepon referred to were the strategic divergences between Pakistan and the US on Afghanistan and issues relating to the war in Afghanistan.

What then should be done? Should the US try harder or should it give up nation-building? Chapter 7 attempted to answer that question. It found strong support for the “try harder” view on the part of the US elite, which was consistent with the published literature. About half of the responses from the US elite could be classified in support of greater emphasis on nation-building. However, the Pakistani elite, when asked what Pakistan should do, emphasised concerns about aid dependency and a desire for greater equality with the US. While they were critical about the weaknesses of the Pakistani state, they had little appetite for US assistance in fixing these weaknesses. If anything, the US was seen as part of the problem rather than the solution, and lacking the long-term commitment required to make a difference. This suggested that a greater emphasis on nation-building, as argued for in the literature and by many in the elite, would not be effective. The Pakistani elite instead showed a preference to get its “own house in order” – that is, to do nation-building for Pakistan, by Pakistan, and to set a course for the country’s development on its own terms. The policy implications of these findings are explored further in Section 8.5 below.

### **8.3 Limitations**

This case-study of perceptions of US aid to Pakistan, conducted through interviews with the policy elites in Pakistan and the United States, has offered a valuable insights on an important foreign policy issue. Yet it also has some limitations, which need to be considered.

First, the interviews were conducted over two different time periods. In Pakistan, owing to the fact I lived in Islamabad between July 2010 and October 2013, the interviews were spread out over two years (October 2011 - October 2013). However, given that I had limited time and resources in the United States, the interviews were conducted over a three-week period. Ideally, a longer period of time would have been spent in the United States to enable the development of networks and a better

understanding of the US foreign policy context. Nevertheless, the length of time spent in Pakistan sets this research apart and gives it significant depth, particularly given most foreign researchers in Pakistan spend only weeks or months in the country owing to the difficult security conditions.

Second, ideally more provincial elite should have been sampled, particularly noting the concentration of business elite in Lahore and Karachi. However, at the time of this research, security conditions prevented extended travel outside Islamabad.

Third, the findings of this survey are based on a perceptions survey, and there can be a large gap between perceptions and reality. However, by careful framing of questions and the use of a number of different lines of attack, I would argue that we have been able to gain insight into fundamental questions of the objectives of aid, questions which it would be difficult to address through any other way. I have also tried, especially in the section above, to separate our findings summarising the perceptions of the elite, which are themselves interesting and important, from the implications of those findings for our research question, so that the validity of both stages in the argument can be separately assessed.

Finally, a common critique of single-case study research is the issue of external validity or generalisability. While more case studies would of course be desirable, this study is, I argue, still able to make a number of contributions to the literature. These are outlined in the next section.

#### **8.4 Contribution to the literature**

The first fundamental contribution of this research is to update the Cold War literature on aid to the 9/11 era. In that sense, this thesis is in the tradition of Sietz (2012), Banfield (1963), Burnett (1992) and Morgenthau (1960).

The central finding that nation-building objectives were undermined in Pakistan by realist ones is consistent with Burnett (1992) and Bearce and Tirone (2010).

However, the argument of Burnett (1992) that aid loses all leverage when countries are strategically important is rejected by this case study. The finding that aid is

ineffective at overcoming political differences confirms the argument of Morgenthau (1960).

The second important contribution of this thesis is to the Pakistan studies literature. With the exception of Lieven (2011), there have been few recent studies of Pakistani elite opinion. I argue that Lieven (2011) underestimates the importance of the internal security threat perceived by the Pakistani elite. I also show, particularly in Chapter 7, that US scholars and the policy elite more generally would do well to listen more to what the Pakistani elite is saying. In general, both sets of elite would seem to communicate well within their group, but there is very little cross-elite communication.

The third important contribution of the thesis is towards a better understanding of recipient attitudes of aid, the urgent need for which has been stressed by scholars of aid such as Riddell (2014). The results of the thesis confirm the utility of this approach. As the next section suggests, US aid policy would be enhanced if it listened more closely to what the Pakistani elite was saying.

## **8.5 Policy implications**

Chapter 7 found strong support among the US elite for a greater emphasis on nation-building, but an implied skepticism on the part of the Pakistani elite. What lessons can be drawn from this thesis in terms of future aid and broader US foreign policy to Pakistan? What should be changed? As Steve Coll of the New America Foundation asks in the quote with which this chapter begins, given the relative failure of KLB and post-Afghanistan-withdrawal, “Since we have had the illusion scraped from our eyes, what do we want to reset around?”

Clearly, a full answer to this question is well beyond the scope of this thesis, since it would require an analysis of the effectiveness of US aid, which has not been attempted here. That said, my thesis findings do point in the direction of a downgrading of nation-building objectives for three key reasons.

First, US aid may get more leverage in Pakistan than the United States realises. The research reported in Chapter 5 shows that, while the US elite is skeptical, nearly the entire Pakistani elite believes that US aid gets leverage in Pakistan. If there is leverage, it is predominantly in the military and foreign policy spheres, and so this should be the focus of US policy. After all, even post-withdrawal, US still needs Pakistan for a number of important strategic goals: primarily to get peace in Afghanistan, but more generally to combat terrorism and nuclear-proliferation, and not to undermine stability in South Asia. With reduced leverage due to increased Chinese aid, the United States should concentrate its efforts where it is most – albeit still only partially – effective, namely, in relation to Pakistani military and foreign policy.

Second, my research suggests that the United States cannot use aid to win hearts and minds in Pakistan without broader foreign policy change. Simply pouring more money into Pakistan, or undertaking more concerted public diplomacy campaigns will not change the views of the elite, which are based on much broader historical and foreign policy considerations. While strictly speaking this finding only holds for the elite, it is likely that the same is true of the general public, as Wilder (2011) finds.

Third, as Chapter 7 showed, the Pakistani elite desire greater sovereignty and equality and will resist attempts by the US to significantly influence development, governance and other nation-building activities in Pakistan. Instead, Pakistan wants to get its “own house in order”, and move away from its dependency on aid that has undoubtedly slowed aspects of its development.

My own conclusion, or rather suggestion, from these findings is in line with that of Andrew Wilder at the United States Institute for Peace. As quoted in Chapter 7, Wilder rebuts the common criticism of the US-Pakistani relationship that it is “transactional”:

The transactional relationship is overly criticised, but that is what a lot of relationships are about and should be about. We have our national interests and they have their national interests and let’s be very honest about that. Let’s not try to sugar coat it with KLB programs and aid programs to think that we can somehow win hearts and minds with our foreign policy efforts. We need

to be clear that it is about their interests and our interests, and let's be honest about that and negotiate, transact (Interview: 6 March 2012).

Perhaps, as Shamila Chaudhary at the New America Foundation implicitly suggests, the US needs to identify those relationships are primarily about realist objectives, and then be satisfied with giving them “a blank cheque basically in exchange for partnership or cooperation on security issues.” Chaudhury gives Israel, Jordan and Egypt as examples of such countries, and suggests that Pakistan should be added to the list, though noting that a written agreement outlining what is expected of Pakistan is necessary.

It may be the case, as Kagan (2011) argues, and as quoted in Chapter 1, that American support for nation-building “springs naturally and inevitably” from the American character, but sometimes that impulse may need to be suppressed.

## **8.6 Recommendations for future research**

There is a need for more case-studies focusing on perceptions of aid to allow for further assessment of the utility of using aid for both development and non-development purposes. Exploring the following ideas as future research strategies can facilitate attainment of this goal.

First, more case-studies of aid are needed, especially of other relationships where twin nation-building and realist goals exist. Candidates would include US aid to Egypt, US aid to Iraq (post Arab Spring, since Iraq's cooperation in third countries, such as Syria, is now required), and Australian aid to Indonesia.

Second, more work is needed to provide insights into Pakistani perspectives of aid. As a majority Muslim country in a location of significant geo-strategic importance, Pakistan will continue to be a country of significant importance to the United States and the West. It would be useful to explore further case studies of public opinion of aid at the provincial level, to better understand the impact and irritants of US aid.

Third, the declining influence of the United States and the rising influence of China will significantly impact the geo-political outlook in the region over the next 10-20 years. Trilateral comparisons between US, Pakistani and Chinese elite opinion would help policy makers to develop a better understanding of potential gains and flashpoints in the region.

## **8.7 Concluding remarks**

The Cold War is long over, but the lessons of the Cold War should not be forgotten when we study aid in the post 9/11 era. With ever widening zones of instability and conflict around the world, the trade-offs between the realist and nation-building objectives of aid are only likely to become more rather than less important. It is hoped that, in this context, this thesis makes a useful contribution not only to the study of aid to Pakistan, but to the study of aid in the post 9/11 era more broadly.

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