

U.S. Aid to Pakistan during the Tenures of Democrat and Republican Administrations

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Abstract

This article examines the allocation of economic and military aid from the United States (U.S.) to Pakistan during the tenures of Democrat and Republican presidents. Focusing on the aggregate and annual U.S. bilateral aid to Pakistan from 1948 to 2015 covering key regional and global events including the Cold War, the post-Cold War and the War on Terror periods, the analysis illustrates that there are many fluctuations during the administrations of both political parties. It concludes that the ebb and flow in foreign (aid) policy vis-à-vis Pakistan highlights the irrelevance of U.S. presidential party affiliation, especially during times of crisis. The numbers show that regardless of which administration sits in Congress or the White House, America's foreign policy goals are to safeguard its global interests, rather than its allies.

Key words: Pakistan, U.S. Aid, Democrats, Republicans.

Introduction

At the global level, the birth of foreign aid is linked with two strikingly coincidental phenomena: the idea to reconstruct and revive the economy and infrastructure of Europe at the end of World War II; and to win the allegiance of newly decolonised states. Concerning the former, U.S. Secretary of State George Marshall outlined a detailed programme for the rebuilding of war-ravaged Europe. Under Marshall's eponymous Plan, the U.S. provided \$13 billion to Europe to restore its economy. Raffer and Singer state that once approved by the U.S. Congress in 1948, 'the U.S. spent 2-3 per cent (excluding military aid) of its GNP under this initiative during the six years 1948-53, almost entirely on a grant basis.'¹ The Marshall Plan played a vital role in the restoration of the war-battered European economy and its triumph inspired U.S. President

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¹ Kunibert Raffer and Hans W. Singer, *The Foreign Aid Business: Economic Assistance and Development Cooperation* (Cheltenham: Edward Elgar, 1996), 59.

Truman's 'Point Four Programme' that he defined in his inaugural address in 1949. It is argued that President Truman was convinced in his mind that like the Marshall Plan, the Point Four Programme would help bring development in underdeveloped regions of the world.² Elaborating his agenda, President Truman stated, '... we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.'³ In the same context, he mentioned that over half of the population of the planet was suffering from poverty, hunger and disease and that other wealthy nations should collaborate with the U.S. to help these underdeveloped people.

However, President Truman's Point Four initiative was not entirely motivated by the ideal of poverty elimination. Rather, on account of intense hostility with the Union of Soviet Socialist Republics (USSR), the U.S. wanted newly independent states to join the U.S. bloc against communism. Between 1945 and 1970, about 60 countries (including Pakistan) won independence throughout Africa, Asia, the Pacific and the Near East. McMichael argues that due to swift decolonisation, 'from 1945 to 1981, 105 new states joined the United Nations (UN) ... swelling UN ranks from 51 to 156.'⁴ Thus, the beginning of the Cold War between the U.S. and the USSR and the success of the Marshall Plan persuaded the Truman administration to employ the idea of foreign aid as a device for bringing development to underdeveloped states. The justification behind the idea of aid was to spur economic growth in newly independent countries as well as to win their allegiance against communism. Throughout this period, 'development aid was inseparably connected to the policies of the bipolar world.'⁵ The two superpowers were using different strategies, including foreign aid in the form of 'soft power' to increase their sphere of influence. There is considerable evidence that then and now, a host of bilateral donors continue to use aid for accomplishing a varied set of goals including strategic, security, political, trade and commercial interests.⁶

² Gilbert Rist, *The History of Development: From Western Origins to Global Faith* (London: Zed Books, 2002).

³ Harry S. Truman, "Inaugural Speech," Harry S. Truman Library & Museum, January 20, 1949, <http://trumanlibrary.org/publicpapers/viewpapers.php?pid=1030>.

⁴ Phillip McMichael, *Development and Social Change: A Global Perspective*, 4th ed. (California: Pine Forge Press, 2008), 40.

⁵ Raffer and Singer, *The Foreign Aid Business: Economic Assistance and Development Cooperation*, 58.

⁶ R. C. Riddell, *Does Foreign Aid Really Work?* (New York: Oxford University Press, 2007); Nilima Gulrajani, "Organising for Donor Effectiveness: An Analytical Framework for Improving Aid Effectiveness," *Development Policy Review* 32, no. 1 (2014); Gustavo Canavire-Bacarreza, Peter Nunnenkamp, Rainer Thiele and Luis Triveño, "Assessing the Allocation of Aid: Developmental Concerns and the Self-Interest of Donors," *Indian*

The beginning of U.S. aid to Pakistan needs to be examined in this context. On account of its geostrategic location at the meeting point of three regions including South Asia, Central Asia and the Middle East, Pakistan occupies an important place on the global map. It is this vital geostrategic setting that has enabled Pakistan to play a prominent role in international politics and events of global significance such the Cold War and the U.S.-led War on Terror. Due to this, besides other strategically important countries, Pakistan has been considered to be a ‘pivotal’ state,⁷ a state whose destiny determines the smooth functioning and stability of the surrounding region. Therefore, for a larger part of its history, Pakistan has remained a close ally of the U.S. and as a result it has also remained one of the largest U.S. aid recipients. At times, the U.S. has provided more aid to Pakistan than its closest ally Israel (in the 1950s and 60s). However, there have been some intervals when Pakistan was not visible in the list of U.S. aid recipients: be it economic or security related assistance. Figure I and Figure II, based on U.S. Agency for International Development (USAID) data, clearly show how U.S. aid to Pakistan has witnessed several ups and downs during the last six decades.⁸ Overall, Pakistan has received a total of \$41 billion economic and \$13 billion military assistance.⁹ Analysing the allocation of U.S. annual and aggregate aid during the respective tenures of Democrat or Republican parties, the rest of the article provides a detailed look at U.S.-Pakistan relations, vis-à-vis U.S. aid under various administrations.

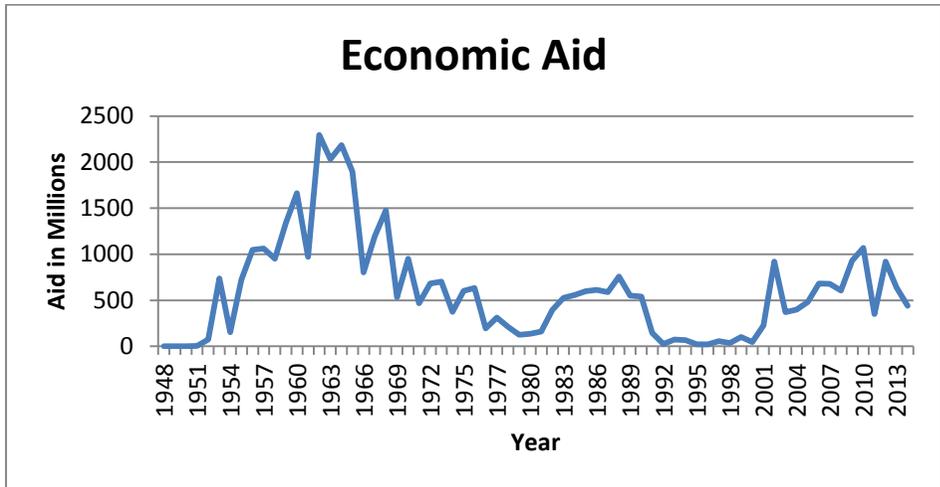
Economic Journal 54, no. 1 (2006); S. Browne, *Aid and Influence: Do Donors Help or Hinder?* (London: Earthscan, 2006).

⁷ R. S. Chase, E. B. Hill, and P. Kennedy, “Pivotal States and U.S. Strategy,” *Foreign Affairs* 75, no. 1 (1996): 33.

⁸ United States Agency for International Development (USAID), “U.S. Overseas Loans and Grants: Obligations and Loan Authorizations,” July 1, 1945–September 30, 2014,” <https://explorer.usaid.gov/reports-greenbook.html>.

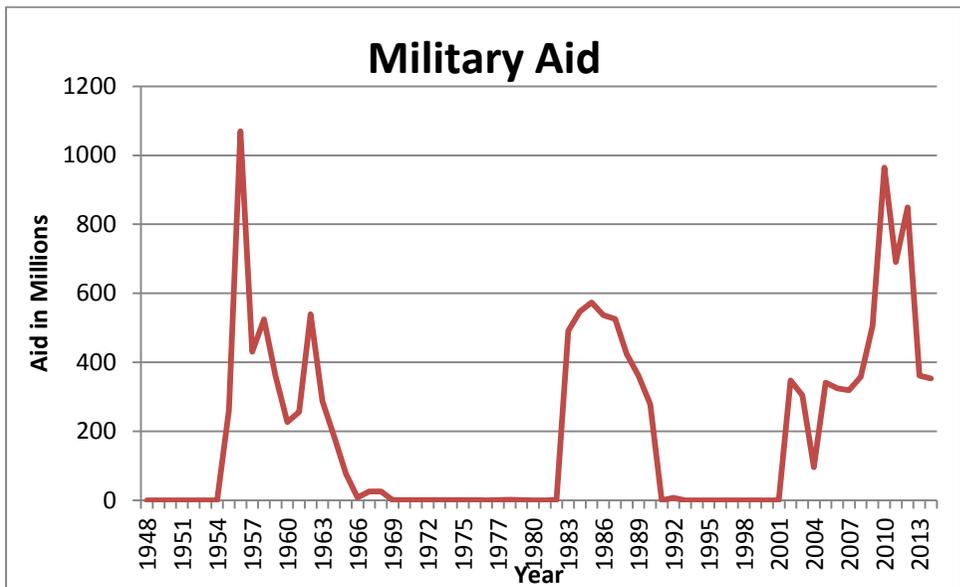
⁹ *Ibid.*

Figure-1
U.S. Economic Aid to Pakistan (Constant 2008\$)



Source: U.S. Agency for International Development (USAID), “U.S. Overseas Loans and Grants: Obligations and Loan Authorizations,” July 1, 1945–September 30, 2014.”

Figure-2
U.S. Military Aid to Pakistan (Constant 2008\$)



Source: Ibid.

Truman (1945-1953)

Truman's presidency saw the beginning of the Cold War. For Truman, a key challenge was the containment of Soviet influence. To this end, the U.S. was globally active in forming alliances in various parts of the world to thwart the Soviet threat. Pakistan, wary of India's closeness towards the USSR, was eager to join the U.S. bloc to safeguard its own sovereignty and was ready to play a key role in the U.S. policy of containment. The visit of Pakistan's first Prime Minister to the U.S. in 1950 was a preliminary step in this direction. In his maiden official trip, Prime Minister Liaquat Ali Khan expressed his keenness to align Pakistan with the U.S. and to secure U.S. arms purchase.¹⁰ American policy-makers knew that on account of its distinctive geostrategic position, Pakistan could be vital for the containment of communism in the region.¹¹ Still cautious in their approach not to alienate India, the Truman administration started some economic aid to Pakistan, but military aid was not committed.

Eisenhower (1954-1961)

For Eisenhower, the Soviet threat was more prevalent and looming on the horizon. To counter that, the Republican also looked towards South and South East Asia, particularly after the Korean War which had brought the Cold War to South Asia. The new Republican administration wanted to showcase its strength internationally and form alliances with various countries across the globe. For example, the expansion of Soviet influence in Eastern Europe resulted in the formation of the North Atlantic Treaty Organization (NATO) as a bulwark against possible Soviet aggression. In the case of Pakistan, after a lot of speculation, the U.S. administration signed the Mutual Defence Assistance Agreement (MDA) in May 1954.¹² In the same year, the U.S. also established the Southeast Asia Treaty Organisation (SEATO), comprising Pakistan, Thailand, and the Philippines, with the military umbrella extended to Cambodia, Laos, and South Vietnam to foil communist threats in the region.¹³ In 1955, the U.S.-sponsored Baghdad Pact (in 1958, it was re-named as CENTO) was signed

¹⁰ Robert J. McMahon, "United States Cold War Strategy in South Asia: Making a Military Commitment to Pakistan, 1947-1954," *The Journal of American History* 75, no. 3 (1988).

¹¹ J. W. Spain, "Military Assistance for Pakistan," *American Political Science Review* 48, no. 3 (1954); I. Stephens, *Pakistan*, 3rd ed. (New York: Frederick A. Praeger Publishers, 1967).

¹² M. Z. Khan and J. K. Emmerson, "United States-Pakistan Mutual Defence Assistance Agreement," *Middle East Journal* 8, no. 3 (1954).

¹³ Jim Glassman, "On the Borders of Southeast Asia: Cold War Geography and the Construction of the Other," *Political Geography* 24, no. 7 (2005).

between Iran, Iraq, Turkey, Pakistan and Britain. Pakistan was the only country in South Asia which was a member of both SEATO and CENTO.

After the signing of MDA and other subsequent agreements with Pakistan, the Eisenhower administration started to provide significant military aid to Pakistan in the form of military weaponry and hardware as well as technical assistance.¹⁴ Under the terms of the agreement, Pakistan 'agreed that the arms will not be used aggressively and ... committed itself to cooperation with the United States' to contain Soviet influence.¹⁵ It is relevant to quote para 2 of MDA's Article I:

The Government of Pakistan will use this assistance exclusively to maintain its internal security, its legitimate self-defence, or to permit it to participate in the defence of the area, or in United Nations collective security arrangements and measures, and Pakistan will not undertake any act of aggression against any other nation. The Government of Pakistan will not, without the prior agreement of the Government of the United States, devote such assistance to purposes other than those for which it was furnished.¹⁶

Besides security aid, the Republican administration provided substantial economic aid to Pakistan. It is believed that of all foreign aid Pakistan received during the years 1951-1960, nearly four-fifth was channeled by the U.S.¹⁷ Also, over 70 per cent of U.S. aid was in the form of food aid, including surplus agricultural commodities. Thus, Pakistan was one of the largest U.S. economic and military aid recipients during this Republican administration (\$7,921 million economic and \$3,130 million military aid).

Kennedy (1962-1963) and Johnson (1964-1969)

Since the Soviet threat was still there, Democrat Presidents Kennedy and Johnson (particularly in the early years of Johnson's tenure) followed their Republican predecessor regarding their policy towards Pakistan. Thus, Pakistan remained amongst the largest U.S. aid recipients. However, regional developments, particularly the Sino-Indian War of 1962 and the 1965 war between Pakistan and India dealt a serious blow to the U.S.-

¹⁴ See Appendix I for detailed annual data as well as Figure I and Figure II for U.S. economic and military assistance respectively.

¹⁵ Spain, "Military Assistance for Pakistan," 747.

¹⁶ Khan and Emmerson, "United States-Pakistan Mutual Defence Assistance Agreement."

¹⁷ Hamza Alvi and Amir Khusro, "Pakistan: The Burden of U.S. Aid," in *Imperialism and Underdevelopment: A Reader*, ed. Robert I. Rhodes (London: Monthly Review Press, 1970).

Pakistan alliance. The response of both Kennedy and Johnson during and after the Sino-Indian War was visibly in favour of India. This tilt perturbed Pakistan precisely the same way when India expressed its apprehensions over Eisenhower's policy towards the former. Pakistan and India looked at the U.S. policy towards each other from their regional perspectives: each wanting to maintain the regional balance of power in its own favour. However, the U.S. was more anxious about the global balance of power involving the USSR and China. Hence, it kept both at bay from the opposite blocs. However, it should be noted that the U.S. continued to supply arms and military aid to India even after the Sino-Indian War was over.

During the tenure of President Johnson, the U.S.-Pakistan ties deteriorated. Although the U.S. offered assistance neither to India nor to Pakistan during 1965, the latter felt that due to its earlier close alliance with the U.S., it should have been given open material and diplomatic support.¹⁸ During the U.S. arms sanctions, Pakistan suffered immensely since it was largely dependent on U.S. weapons, unlike India which relied largely on arms from the USSR. As a result, Pakistan asked the U.S. to close its military bases on Pakistani soil used to keep an eye on the activities of the USSR in the region. Overall, Pakistan received a total of \$12,414 million and \$1,147 million in economic and military aid respectively, during the tenures of Kennedy and Johnson. While annual U.S. economic aid was \$1,551 million; military aid was \$143 million per year during their tenures. While earlier, Pakistan and the U.S. enjoyed warm bilateral ties, the regional dynamics, especially with regards to India, disturbed the honeymoon period of the alliance. This shift in foreign (aid) policy also brings to light the irrelevance of U.S. presidential party affiliation, especially during times of crises.

Nixon (1970-1974) and Ford (1975-1977)

Following their Democrat predecessors, the Republican administrations of both Nixon and Ford were in no mood to bring drastic changes vis-à-vis their foreign aid policy towards Pakistan. Although both provided considerable economic aid, Pakistan received negligible military aid during their regimes. If compared with the amount of military aid during the Republican presidency of Eisenhower, U.S. security assistance to Pakistan during the 1970-1977 period was miniscule. Pakistan received a total of \$

¹⁸ W. H. Wriggins, "Pakistan's Search for a Foreign Policy after the Invasion of Afghanistan," *Pacific Affairs* 57, no. 2 (1984); Z. Khalilzad, "The Superpowers and the Northern Tier," *International Security* 4, no. 3 (1979-1980).

4,919 million in economic and only \$7 million in military assistance. In fact, security assistance since 1945 was consistently on the decline.

Similar to previous tenures of Democrats, this era also witnessed upheavals in South Asia, the most significant one being another Pakistan-India war in 1971. Like the 1965 Pak-India War, Pakistan again had high expectations from the U.S. government. In fact, America's role during this time is open to much debate, speculation and controversy.¹⁹ While Nixon sent a loud message to India not to stretch the war to Pakistan's western borders by sending the nuclear submarine *U.S.S. Enterprise* to the Bay of Bengal, it could not prevent India from splitting the eastern wing of Pakistan to form present day Bangladesh.

Due to disappointment with its allies, Pakistan formally bid adieu to SEATO in 1973. Similarly, after the end of the Vietnam War in 1975, one of the most conspicuous factors behind SEATO's existence also vanished; this resulted in its disbanding in 1977. Consequently, these developments also affected U.S. aid to Pakistan and it underwent significant reductions. As mentioned earlier, while military aid was already negligible, U.S. economic assistance also decreased markedly during these years. The only positive development in the U.S.-Pakistan ties during this period was Pakistan's instrumental role in the Sino-U.S. rapprochement. By facilitating a secret trip of Henry Kissinger to China and working as a mediator between the two countries, Pakistan played a pivotal role to bring the two together. As a result, the Republican administration of President Ford lifted the arms embargo in 1975 which President Johnson had imposed during the 1965 war.

During the tenure of President Ford, two major issues affected Pak-U.S. relations: Pakistan's clandestine nuclear programme and the military coup of General Zia in 1977. To prevent Pakistan from starting its nuclear enrichment programme, U.S. Secretary of State Henry Kissinger visited Pakistan in August 1976. In a meeting with Prime Minister Zulfikar Ali Bhutto, Henry Kissinger used the carrot and stick policy to convince Pakistan to disband its programme aimed at developing an atomic bomb to counterbalance Indian threats. It has been reported that Kissinger threatened Bhutto that 'we will make a horrible example of you,' and added that 'when the railroad is coming, you get out of the way.'²⁰ Failing in this, the Republican administration asked France not to supply the

¹⁹ Editor's Note: For U.S. declassified documents 'Nixon and Kissinger on *The Concert for Bangladesh*', refer to the U.S. National Archives and the Presidential Library system which detail how the United States policy, under Nixon and Henry Kissinger, followed a course dubbed as 'The Tilt'.

²⁰ Syed A. I. Tirmazi, *Profiles of Intelligence* (Lahore: Combined Printers, 1995).

required material to Pakistan for which it had already struck a deal.²¹ Under U.S. influence, France annulled the agreement which was ‘a huge blow to Pakistan which, once again, complained that the West was singling it out.’²²

After the military coup of General Zia in 1977, U.S. economic aid shrank further and remained low till 1982 when Pakistan became an important geostrategic ally against the Soviet forces in Afghanistan, discussed in the next section.

Carter (1978-1982)

The Islamic Revolution in Iran deprived the U.S. of one of its trusted allies: the pro-American Shah of Iran. Soviet invasion of Afghanistan and revolution in Iran enhanced Pakistan’s geostrategic weight. One western observer has appropriately commented that:

Overnight, literally, the situation changed dramatically with the Soviet invasion of Afghanistan in December 1979. President Carter and others saw...Pakistan, now a front line state...an indispensable element of any strategy that sought to punish the Soviets for their action.²³

There is no doubt that the Soviet invasion of Afghanistan dramatically transformed Pakistan’s geopolitical significance for the U.S.²⁴ This is ironic given the fact that due to martial law and human rights abuses under Zia’s military regime; and the country’s pursuit of developing a nuclear bomb, Pakistan had become a pariah state before the Soviet adventure of 1979. The Carter administration had imposed the Symington Amendment on Pakistan in April 1979 cutting off all economic and military aid.²⁵ In view this, Democratic President Carter was much like his Republican predecessors regarding his foreign aid policy towards Pakistan, which was based on safeguarding U.S. foreign policy interests.

However, the USSR invasion of Afghanistan in late 1979 compelled the administration to overlook these factors and reverse policy decisions taken earlier about Pakistan. Now the U.S. needed Pakistan’s support to

²¹ Owen Bennett Jones, *Pakistan: Eye of the Storm* (New Haven: Yale University Press, 2002).

²² T. V. Paul, “Influence through Arms Transfers: Lessons from the U.S.-Pakistani Relationship,” *Asian Survey* 32, no. 12 (1992): 184-198.

²³ Thomas Perry Thornton, “Between the Stools?: U.S. Policy Towards Pakistan During the Carter Administration,” *Asian Survey* 22, no. 10 (1982): 969.

²⁴ Wriggins, “Pakistan’s Search for a Foreign Policy after the Invasion of Afghanistan.”

²⁵ K. Alan Kronstadt, *Pakistan-U.S. Relations*, report (Washington, D.C.: Congressional Research Service, 2006); Paul, “Influence through Arms Transfers: Lessons from the US-Pakistani Relationship.”

halt the march of Soviet forces within Afghanistan. In December 1979, within a few months of their imposition, Washington lifted all sanctions against Pakistan and offered it generous aid. Consequently, both discussed the \$3.2 billion aid package in 1981.²⁶ During Carter's tenure, which was just the beginning of a multi-year alliance, Pakistan was provided \$634 million in economic aid, but military aid was still not committed. The democratic administration's changing stance during early years of Carter's tenure, and equally rapid shift in policies in the later years when Pakistan's services were required to defeat communist forces in Afghanistan clearly shows: party doesn't matter.

Reagan (1982-1989) and Bush Sr. (1990-1993)

Unlike Carter, Republican nominee Reagan believed that communism was a genuine threat to the free people across the globe. His anti-communist position became more firm once he was elected president. After his election, he also blamed his predecessor's policy of détente which according to him went in favour of the USSR. He developed the 'Reagan Doctrine': an outlook in which he visibly supported the anti-communist movements in Afghanistan as well as in various other countries including Angola, Cambodia and Nicaragua. Under this doctrine, the Republican administration provided ample economic and military assistance as well as arms to support anti-Soviet and anti-communist factions such as the *mujahideen* (soldiers fighting a holy war) in Afghanistan. Being a landlocked country, any support to Afghanistan was not possible without the assistance of Pakistan. Thus, Pakistan became critical to achieve Reagan's anti-communist ambition.

As shown by USAID data in Appendix I, during his two tenures, Pakistan received a total of \$4,585 million in economic and \$3,460 million in military aid (approximately \$573 million economic and \$432 million military aid annually). By 1985, Pakistan became the fourth largest recipient of U.S. bilateral military assistance, behind Israel, Egypt and Turkey.²⁷

With the approval of the \$4.02 billion military and economic aid package in 1987, Pakistan emerged as the second largest recipient of American aid, after Israel.²⁸

Thus, these years were a golden era in the U.S.-Pakistan aid relations. While military aid to Pakistan was almost negligible in the entire 1970s, it remained nearly \$500 million a year throughout the 1980s.

²⁶ Jones, *Pakistan: Eye of the Storm*.

²⁷ Paul, "Influence through Arms Transfers: Lessons from the U.S.-Pakistani Relationship."

²⁸ Ibid.

Although the U.S. was providing considerable aid, it was not oblivious of Pakistan's nuclear desires. As a result, in 1985, the Pressler Amendment was added to Section 620E of the Foreign Assistance Act of 1961 dealing with the provision of U.S. economic and military aid to Pakistan. The amendment stated that 'no military assistance shall be furnished to Pakistan and no military equipment or technology shall be sold or transferred to Pakistan'²⁹ unless the U.S. President certifies in writing each financial year that Pakistan has not developed a nuclear explosive device. After the addition of the above amendment to Section 620E, from 1985 to 1989, the Republican President certified every year that 'Pakistan does not have a nuclear explosive device and that U.S. assistance would reduce significantly the risk that Pakistan will possess a nuclear explosive device.'³⁰

However, after 1989 the U.S. President did not certify the above, as a result of which U.S. assistance to Pakistan was abruptly suspended. Although the Republican Party stayed in power in the form of President Bush Sr., his stance was totally different from his predecessor. Bush policy towards Pakistan also clearly illustrates that regardless of which administration sits in Congress or the White House, America's foreign policy goals are to safeguard its global interests, rather than its allies.

After the withdrawal of Soviet forces from Afghanistan in 1989, the U.S. no longer needed Pakistan, its closest Cold War ally. Thus, a front line U.S. ally during most of the Cold War and particularly during the Afghan War in the 1980s, Pakistan fell into disfavour due to its nuclear programme; which the U.S. had earlier conveniently ignored during the whole decade. In 1990, the Pak-centric Pressler Amendment swung into action and sanctions were imposed on all kinds of aid.³¹ Pakistan was faced with a serious economic crisis.

All the channels of U.S. aid were shut down in a short time. It has been pointed out that Pakistan 'had one of the largest USAID offices in the world, employing more than 1,000 staff around the country, [which] shrank to almost nothing virtually overnight.'³² This was later regarded by Robert Gates, former U.S. Secretary of Defence, as a grave mistake driven by some well-intentioned but short-sighted U.S. legislative and policy

²⁹ U.S. House of Representatives, U.S. Senate, *Legislation on Foreign Relations through 2002*, I-B (Washington, D.C.: U.S. Government Printing Office, 2003), 315-316.

³⁰ *Ibid.*, 315.

³¹ Dennis Kux, *The United States and Pakistan, 1947-2000: Disenchanted Allies* (Baltimore: Johns Hopkins University Press, 2001); Paul, "Influence through Arms Transfers: Lessons from the U.S.-Pakistani Relationship."

³² Craig Cohen and Derek Chollet, "When \$10 Billion Is Not Enough: Rethinking U.S. Strategy toward Pakistan," *The Washington Quarterly* 30, no. 2 (2007): 10.

decisions.³³ The abrupt divorce proved extremely detrimental for the long-term foreign policy goals of both countries. It reinforced the dominant perception in Pakistan that ‘Washington embraced Pakistan when it judged it useful and then, like a used tissue, discarded it when it no longer required its assistance.’³⁴ On the one hand, imposition of sanctions harmed the country financially and politically as Pakistan was faced with a serious financial crisis during this period. On the other hand, the disengagement also deprived the U.S. of leverage it had on Pakistan’s civilian and military leadership, which in the long run proved quite harmful to U.S. interests in the region. A clear example is the rise of the Taliban in Afghanistan and the advent of Al-Qaeda on Afghan soil; particularly the latter which openly challenged the U.S. and targeted U.S. interests where it could. In the post-Afghan War period, over 20 well-armed military groups, largely known as *jihadi* groups, were allegedly active in Pakistan with a strong support base across the country and the patronage of the Pakistani security establishment.³⁵ In short, U.S.-Pakistan alienation during this period damaged the interests of both countries.

Clinton (1994-2001)

Once again, there is a close semblance between the two tenures of Democrat President Clinton and his Republican predecessor President George H.W. Bush regarding their foreign aid policy towards Pakistan. The declining trends in both U.S. economic and military aid that had started in the Bush era consistently continued during most of the 1990s in Clinton’s tenure. It is clear from the data in Appendix I that U.S. economic aid lowered from well above \$500 million a year in the 1980s to less than \$100 million a year in the post-Cold War years of the 1990s. The fate of military assistance was not different as it came down to almost nothing in these years. Overall, while the U.S. sanctioned more than \$500 million annually in economic aid to Pakistan in the 1980s, the Clinton administration allocated just over \$70 million a year, consisting of humanitarian aid. The 1998 nuclear tests by Pakistan and the 1999 military coup by General Musharraf further deteriorated bilateral ties and consequently U.S. aid flows reduced to the lowest level ever as Pakistan came under various layers of U.S. sanctions. There cannot be a more clearer example of how a donor’s aid allocation policies have witnessed such dramatic shifts due to

³³ Robert Gates, “Our Commitment to Pakistan,” *News International*, January 21, 2010.

³⁴ I. Huacuja, “Pakistan-U.S. Relations: A Jagged Relationship,” *The Cornell International Review* 1, no. 1 (2005): 68.

³⁵ Hassan Abbas, *Pakistan’s Drift into Extremism: Allah, the Army, and America’s War on Terror* (New York: M. E. Sharpe, 2005).

changing geostrategic dynamics. However, this was not the end of the U.S.-Pakistan alliance for good. Another reunion was forced by a new pressing global issue: the war against terrorism.

Bush Jr. (2002-08)

The events of September 11, 2001, and Washington's subsequent war against terrorism transformed the whole political and security paradigm of the planet. In its so-called War on Terror, the Republican administration categorically stated how other nations of the world were either with them or against them.³⁶ Based on this authoritative rhetoric, the U.S. started to differentiate governments in terms of whether a country (such as Pakistan) stood with the terrorists or with the U.S. Thus, a new U.S.-Pakistan alliance came into existence as Pakistan was brought 'to the centre stage of global politics'³⁷ by 9/11 events. When General Musharraf 'was given a clear choice between the devil and the deep sea by the United States',³⁸ the country once again became a front line U.S. ally, this time in the campaign against terrorism. As a first step, Musharraf transferred a number of high-ranking officials from the Inter-Services Intelligence (ISI), Pakistan's premier spy agency, to 'purge' the organisation of vehement Taliban sympathisers.³⁹ It is claimed that 40 per cent staff was reshuffled including General Mahmood, head of the ISI and a close aide of Musharraf. It is argued that 'withdrawal of ISI's support catalysed the swift fall of the Taliban regime' following the U.S. invasion.⁴⁰ Besides intelligence-sharing, Pakistan also provided full logistic support by offering 'military bases in Sindh and Balochistan province to the U.S. and these were soon overflowing with stockpiled arms and munitions for the war against Afghanistan.'⁴¹ Musharraf openly renounced extremism, banned a host of key *jihadi* groups, deployed over 100,000 army personnel along the 2,700 kilometre long Pakistan-Afghanistan boundary to eliminate Al-Qaeda and Taliban-linked militancy and arrested hundreds of Al-Qaeda suspects, including numerous key operatives and handed them over to the U.S.

³⁶ Cohen and Chollet, "When \$10 Billion Is Not Enough: Rethinking U.S. Strategy toward Pakistan."

³⁷ Samina Yasmeen, "Unexpectedly at Centre Stage: Pakistan," in *Global Responses to Terrorism: 9/11, Afghanistan and Beyond*, eds. Mary Buckley and Rick Fawn (London: Routledge, 2003), 188.

³⁸ Eamon Murphy and Ahmad Rashid Malik, "Pakistan Jihad: The Making of Religious Terrorism," *IPRI Journal IX*, no. 2 (2009): 28.

³⁹ Zahid Hussain, *Frontline Pakistan: The Struggle with Militant Islam* (New York: Columbia University Press, 2007).

⁴⁰ *Ibid.*, 46.

⁴¹ Abdul Salam Zaeef, *My Life with the Taliban* (Melbourne: Scribe, 2010), 150.

authorities.⁴² In his memoir, Musharraf claims that they ‘captured 689 and handed over 369 to the United States.’⁴³ Due to all this, Musharraf was also on the hitlist of Al-Qaeda and indigenous *jihadi* groups and had two close assassination attempts. On account of these factors, even critics like Frédéric Grare acknowledge that ‘Pakistan’s cooperation against international terrorism is, therefore, real and sincere.’⁴⁴ However, there is also a dominant perception in certain circles in the U.S. that some elements in the Pakistani security establishment were still maintaining close ties with the Taliban.⁴⁵

As mentioned before, in the post-9/11 period, contemporary U.S. aid regime was a replay of the Cold War period. The USAID data given in Appendix I and presented graphically in Figure I (economic aid) and Figure II (military assistance) clearly shows that the U.S. restarted substantial civilian and security-related assistance to Pakistan. During the 1990s, the U.S. allocated only \$597 million in economic aid, and a mere \$7 million in military aid (See Appendix I for the related years). In contrast to this, in his two tenures, the Republican administration channeled approximately \$4,141 million economic and \$2,091 million in military assistance. If compared with the policies of his father Bush Sr., the foreign aid policy of Bush Jr. was in stark contrast. Once again this reinforces the main argument that irrespective of party affiliation, foreign aid policies towards Pakistan have been motivated by U.S. foreign policy pursuits.

Obama (2009-14)

As has happened earlier in the case of various presidents, the foreign aid policy of Democratic President Obama have mostly followed the same trends that were visible during the Republican administration. Although the

⁴² Abbas, *Pakistan’s Drift into Extremism: Allah, the Army, and America’s War on Terror*; Zahid Hussain, “Battling Militancy,” in *Pakistan: Beyond the ‘Crisis State’*, ed. Maleeha Lodhi (London: Hurst & Company, 2011).

⁴³ Pervez Musharraf, *In the Line of Fire: A Memoir* (New York: Free Press, 2006), 237.

⁴⁴ Frédéric Grare, *Rethinking Western Strategies toward Pakistan: An Action Agenda for the United States and Europe*, report (Washington, D.C.: Carnegie Endowment for International Peace, 2007), 18.

⁴⁵ Cheryl Pellerin, “Gates: U.S. Assistance to Pakistan Should Continue” Defense.gov, May 18, 2011, <http://archive.defense.gov/news/newsarticle.aspx?id=63993>.

With the resurgence of Taliban in Afghanistan, the U.S. started blaming Pakistan of duplicity from time to time. High-ranking officials such as Joint Chiefs of Staff Admiral Mike Mullen accused Pakistan of complicity while appearing before a U.S. Senate panel. Pakistan responded that the U.S. was using it as a scapegoat for their own failures in Afghanistan. These kinds of accusations have continued from both sides. However, such accusations have often been used to push Pakistan for doing more in the War on Terror as respective U.S. authorities have maintained that aid to Pakistan should continue as the U.S. has significant stakes in the region.

overall bilateral ties have undergone several upheavals during the last few years, economic and military aid has largely remained consistent.⁴⁶ Till 2014, U.S. provided \$4,349 million (724 million annual) economic and \$ 3,723 million (\$620 annual) military assistance to Pakistan.

Conclusion

The article has explored foreign aid policies of various U.S. administrations towards Pakistan covering a period of over six decades. The analysis challenges the dominant perception that either Democrats or Republicans have provided more aid to Pakistan; and that one party is more ‘pro-Pakistan’ and the other less so. The annual and aggregate U.S. foreign aid to Pakistan since 1948 shows that there is not a huge difference in the aid figures. In fact, there are several ups downs during both administrations reinforcing the insight from realism that ‘countries do not have friends, they only have interests’ since both parties followed a foreign aid policy vis-à-vis Pakistan in which American interests, be they political, security or geostrategic, were being met.

While Pakistani politicians, journalists or even the general citizen may argue U.S. perfidy over the years, the reality is that in international relations, ‘friendship’ between countries changes with varying interests and circumstances. As long as countries have converging interests, the alliance remains intact. Once there are divergent interests, the relationship between countries thaws. When Pakistan was provided more aid, the U.S. administration (whether Democrat or Republican) had considerable leverage over the government. In periods of no or little aid, the U.S. had little influence over policy-making in the country: the 1990s and the War on Terror are examples of more aid and more influence. While the ‘compliance’ (lack thereof) of Pakistan’s military and civilian leadership can be the topic for another article, it is important to recognise that in any donor-recipient relationship, the former is likely to have significant leverage over the latter. ■

⁴⁶ Key events affecting bilateral ties during this period are drone attacks inside Pakistani territory, the ill-fated Raymond Davis issue, the unilateral U.S. military action inside Pakistan killing Osama bin Laden and the Salala incident.

Appendix-I

U.S. Economic and Military Aid to Pakistan

U.S. President	Party	Year	Economic aid (constant 2008 \$, millions)	Military aid (constant 2008 \$, millions)
Truman	Democrat	1948	0.76	0
		1949	0	0
		1950	0	0
		1951	2.85	0
		1952	73.18	0
		1953	737.37	0
Eisenhower	Republican	1954	154.69	0
		1955	722.06	261.98
		1956	1,049.23	1,069.75
		1957	1,062.43	430.62
		1958	952.64	524.55
		1959	1,344.91	360.64
		1960	1,662.15	226.61
		1961	973	256.12
Kennedy	Democrat	1962	2,295.30	539.77
		1963	2,031.99	287.39
Johnson	Democrat	1964	2,185.20	184.38
		1965	1,897.63	76.12
		1966	802.81	8.26
		1967	1,192.98	25.89
		1968	1,476.12	25.54
		1969	532.7	0.49
Nixon	Republican	1970	951.28	0.85
		1971	465.97	0.72
		1972	680.84	0.41
		1973	702.66	1.22
		1974	375.01	0.94

U.S. Aid to Pakistan during the Tenures of Democrat and Republican Administrations

Ford	Republican	1975	603.63	0.9
		1976	826.98	1.29
		1977	313.48	0.9
Carter	Democrat	1978	211.13	1.49
		1979	126.53	1.17
		1980	135.17	0
		1981	161.44	0
Reagan	Republican	1982	393.96	1.18
		1983	525.24	491.41
		1984	558.57	546.62
		1985	597.1	573.76
		1986	613.06	536.63
		1987	589.26	525.79
		1988	756.99	423.89
		1989	550.88	361.26
Bush	Republican	1990	539.24	278.87
		1991	147.23	0
		1992	26.74	7.09
		1993	73.05	0
Clinton	Democrat	1994	67.35	0
		1995	22.76	0
		1996	22.43	0
		1997	56.33	0
		1998	35.8	0
		1999	100.71	0.22
		2000	45.06	0
		2001	224.74	0
Bush	Republican	2002	921.41	347.63
		2003	371.75	304.18
		2004	399.32	95.65
		2005	482.47	341.41

		2006	681.94	324.72
		2007	678.8	319.37
		2008	605.36	358.09
Obama	Democrat	2009	930.7	505.22
		2010	1,068.50	964.23
		2011	349.4	690.53
		2012	919.7	849.23
		2013	640.5	361.13
		2014	440.4	353.27
		Total	41,140.87	13,849.38

Source: U.S. Agency for International Development (USAID), "U.S. Overseas Loans and Grants: Obligations and Loan Authorizations," July 1, 1945–September 30, 2014.