

WHO BENEFITS FROM U.S. AID TO PAKISTAN?

Executive Summary

The Paper in a Nutshell

The aid relationship between the United States and Pakistan is badly out of balance. Heavily weighted toward military aid over economic assistance, it has strengthened the hand of Pakistan's powerful security establishment at the expense of the civilian government. Both countries have reason to be disappointed that so much U.S. aid—nearly \$19 billion since 2002—has achieved so little. Rather than continue to purchase Pakistan's grudging cooperation on counterterrorism, Washington and Islamabad would both be better served by a renewed emphasis on civilian and development assistance.

Vital Statistics

- Pakistan has been heavily dependent on foreign aid ever since independence in 1947. From 1960 to 2002, the country received \$73.1 billion in overseas development assistance.
- The United States is Pakistan's largest single bilateral donor.
- From 2002 to 2010, the United States gave Pakistan almost \$19 billion—an average of more than \$2 billion per year—primarily for counterterrorism operations.
- The Enhanced Partnership with Pakistan Act of 2009, also known as Kerry-Lugar-Berman, commits the United States to provide \$7.5 billion in non-military aid to Pakistan over a five-year period.
- In recent years the share of U.S. development aid to Pakistan has risen, but still accounts for less than half the total.

Recommendations for U.S. Policymakers

Recognize the limits of security assistance: The Pakistani military and its Inter-Services Intelligence Directorate (ISI) do not see the war against extremists as their fight and probably never will. Despite receiving billions in U.S. aid, both stand accused of duplicity and of protecting key militants inside Pakistan's borders. Washington must come to the realization that no amount of security assistance is likely to change Pakistan's behavior.

Rebalance aid away from the military: Traditionally there has been little Pakistani civilian control over the military. This tendency is only further reinforced by the heavy flow of American aid to the country's security establishment. To help build a more stable Pakistan with stronger democratic institutions, Washington must shift its focus away from the military and back toward civilian and development assistance.

Expand on Kerry-Lugar-Berman: The Kerry-Lugar-Berman bill is an important first step toward spending American aid dollars more productively on education, healthcare, infrastructure development, and poverty alleviation. By lessening the waste caused by contractors and bureaucracy and improving links with Pakistani nongovernmental organizations, Washington can build on this initial progress and see its aid make a real, lasting impact on the lives of the people of Pakistan with significant benefits for American national security.

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FOR MORE INFORMATION: *A full-length version of this study is available on the web at: carnegieendowment.org/zaidi. For more information or to speak with one of our scholars, please do not hesitate to contact our government affairs manager, Scott Toussaint, at (202) 939-2307 or stoussaint@ceip.org.*

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