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America's New Approach towards Pakistan

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America's sometimes on and sometimes off relationship with Pakistan is set to change.² This is likely to happen in three significant ways. The legislations that have worked their way through the two chambers of the United States Congress will place the structure of America-Pakistan relations on new foundations. The roller-coaster ride will end and greater certainty will be introduced in the way Washington conducts business with Islamabad. The bills that have cleared the House of Representatives and the Senate promise a long-term United States commitment to Pakistan. The House version has a five-year time horizon during which assistance will be provided at an annual rate of US\$1.5 billion. In the Senate version, the commitment is for the same annual amount but the time frame is open-ended. The two bills will be reconciled by a conference committee that will be established by the two chambers. United States' President Barack Obama has indicated that he wants a deep and durable relationship with Pakistan. He is likely to sign the aid to Pakistan act whenever it emerges out of the Congress which will probably be in September 2009 after the summer recess.³

The second significant departure from past practice is the clear division – each with its own explicit set of objectives – between economic and military aid. More conditions will be attached to the former; far fewer to the latter. In fact, the Senate version of the bill is practically conditions-free while the bill passed by the House has several conditions attached to the timing of disbursements as well as their amounts. The House bill reflects the work of the various lobbies that have an interest in the outcome. The most active one in this respect is the Indian lobby, made up of non-resident Indians (NRIs), which has emerged as a well organised and well financed endeavour that seeks to advance the *perceived* interests of the homeland. This lobby worked effectively in getting the Congress to support the administration of President George W. Bush on the nuclear agreement it signed with the Congress party government headed by Prime Minister Manmohan Singh. I will return to the role played by the diasporas in the American political system a little later in this article.

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² Pakistan's relations with the United States have been the subject of academic interest on the part of some of the American diplomats who served in South Asia. The most recent contribution to this genre is Dennis Kux, *Pakistan 1947-2000*, Baltimore, Md. Johns Hopkins Press, 2002.

³ See President Barack Obama's interview with the Washington-based correspondent of *Dawn*, Pakistan's premier English language newspaper, Anwar Iqbal, "Beat extremists you can, says Obama", *Dawn*, 21 June 2009, pp. 1 and 12.

The third important difference between this approach and those followed in earlier periods is that it is being negotiated with a civilian government in Pakistan rather than with an administration dominated by the military. The three previous periods of large American involvement with Pakistan was when the military was in charge of politics. This was the case during the periods of Ayub Khan (1958-69), Zia ul Haq (1977-88) and Pervez Musharraf (1999-2008) when large amounts of American assistance flowed into the country. A significant proportion of this was used for military purposes. It will be different this time.

Neither of the two bills will actually spend the money – they authorise the maximum spending limit and specify the key purposes and conditions of that spending. The actual spending levels and possible further conditions will be determined by the relevant sub-committees of the Appropriations Committee in each of the two chambers and the final Appropriations Bill. It is the sub-committee process that will be subjected to a great deal of pressure by the interested lobbies active on the Hill.

The Senate version of the bill has the support of the White House. In its original formulation, it was originally proposed by then Senators Obama, Joe Biden and Hillary Clinton. All three are now prominent members of the new administration. The bill passed the Senate by a unanimous vote, a relatively rare occurrence in the American legislative process. The House bill was approved by a narrow margin, reflecting the fact that some of the representatives, more subject to the pressures from their constituents, were not convinced about the form and scope of the aid that was being offered to Pakistan by the United States.

The Senate version would triple non-military aid to Pakistan to US\$1.5 billion a year as a long-term pledge to the people of Pakistan. The title given to the bill – the Enhanced Partnership with Pakistan Act of 2009 – reflects the overall objectives of the senators. The bill authorises US\$7.5 billion over the next five years (2009-13) with hortatory language for an additional five-year period. It clearly delinks military from non-military aid. In the past, security assistance overshadowed development aid. The Pakistani military could bypass civilian authorities to focus resources provided on its own institutional development. Rather than locking in an amount now for military aid which might not be in line with rapidly changing Pakistani capabilities and commitment, the bill buys flexibility for the United States administration by leaving the quantum and content of military support to be determined on a year-by-year basis. This will provide leverage to the United States in getting Pakistan into line with the American objectives concerning the struggle against Islamic extremism.

Several provisions of the bill focus on the various aspects of social development in Pakistan. It specifies that funds to be provided by the United States will be used for the projects that benefit the *people* of Pakistan. There will be money (US\$100 million) for just and democratic governance. This includes the development of independent judiciary, political pluralism, the rule of law, human rights, independent media, transparency and accountability of government, anti-corruption efforts, and countering the spread of drugs and the trade in drugs.

Achieving “economic freedom” is specified as a separate category of assistance. It includes supporting policies and programmes aimed at achieving sustainable economic growth by using natural resources and economising the use of energy and water – both under great pressure and getting scarce in the case of Pakistan. The United States funding will support employment generating activities in the country and promote worker rights. Washington, in developing the programmes and projects for its support, will give emphasis to investing in

people, particularly women and children. And there will be money for public, private, secondary and higher education; microfinance; food security and agricultural development; and public health, including clinics and hospitals.

The United States has not implemented such a comprehensive development programme in Pakistan since the early 1960s when it had a large presence in the country, including a large office manned by the Agency for International Development (AID). A large multi-storey building was constructed in the heart of Islamabad to house the AID staff. It was vacated in the 1990s. It is not clear how Washington will manage the new programme in Pakistan's current circumstances when, for security reasons, family members of American personnel are not allowed into the country and their movement is highly restricted. It is not only the United States that has imposed these restrictions. The International Monetary Fund, for instance, with a large programme in place, is monitoring it by having the Pakistanis travel to Dubai for meetings.

The final shape of the United States assistance to Pakistan act will be determined by the political process in which the ethnic lobbies will play an important role. It is, therefore, appropriate to discuss the political roles of the various South Asian diasporas in the United States.

South Asia now has a large number of people living and working in several parts of the world.⁴ Formed over several decades, these diasporas now have about 40 million people – 23 million from India and 16 million divided almost evenly between Bangladesh and Pakistan.⁵ The other countries in the region, including Afghanistan, have a million people living outside their borders in the developed world. The geographic spread of the Indian diaspora is much wider than that of the two other countries.

Given the size of the diasporas and their economic strength, it is not surprising that they have begun to exert their political weight. The Indians have considerable political presence in all the continents of the world while the Pakistani community is better organised in the United States. It is in the United States that the economic presence of the Pakistani community is considerable. Numbering about a million people in Canada and the United States, the immigrants from Pakistan have a combined income of US\$50 billion, a savings rate of US\$10 billion a year and economic assets of about half a trillion dollars. Some of this income and some of these assets are being put to use for both economic and political purposes. There are some two and a half times as many NRIs as the Pakistani community. And their assets and incomes are proportionately larger. Unfortunately, the two diasporas often clash as they seek to influence the politics of the United States. This has happened in particular with reference to the United States' approach towards Kashmir and is now happening in the case of the design of American assistance to Pakistan.

It is important for the two diasporas to recognise that the aid to Pakistan legislation as drafted by the Senate is in the interest of both countries since it focuses on the economic and social

⁴ The subject of what I called "diaspora economics" was discussed by me at some length in my most recent book on Pakistan. See *Changing Perceptions, Altered Reality: Pakistan's Economy under Musharraf, 1999-2006*, Karachi, Oxford University Press, 2007.

⁵ Several estimates are available of the sizes of the various diasporas. Since no proper censuses have been conducted by the major labour exporting and labour importing countries, there are considerable differences in the estimates. For one set of numbers, see Khalid Koser, "Why immigration matters", *Current History*, Vol. 108, No. 717, pp. 147-153.

development of the country. The main purpose of the United States, as reflected in the draft bill, is to contain the spread of extremism in Pakistan. That should also be the Indian concern.

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