



PROJECT on Middle East Democracy

www.pomed.org ♦ P.O. Box 25533 ♦ Washington, DC 20027-8533

Hearing of Senate Committee on Foreign Relations; Subcommittee on International Development, Foreign Economic Affairs, and International Environmental Protection

U.S. Foreign Assistance to Pakistan

Room 419 Dirksen Senate Building, 2:30 p.m. December 6, 2007

Chairman **Robert Menendez** (D-NJ) presided over a hearing featuring testimony from Assistant Secretary of State for Central Asian Affairs **Richard Boucher**, USAID's **James Kunder**, **Teresita Schaffer** of CSIS, CAP's **Lawrence Korb**, and **Robert Hathaway** of the Wilson Center.

Chairman **Robert Menendez** began by describing Pakistan as “currently in the midst of its worst political crisis since the October 1999 military coup” and asked “how we should use our assistance to support a moderate center in Pakistan,” given the \$10 billion we have provided in assistance since 2001. He continued, “my concern is that **we may be spending this money to simply prop up a dictatorial ruler with a poor and worsening record.**” Since the Coalition Support Funds “comprise about 60% of the overall assistance package to Pakistan,” we must include those in any serious discussion, he stated. In conclusion, Menendez asked, “what happens if **Pervez Musharraf** is suddenly no longer the leader of Pakistan? Have we put too much emphasis on individuals at the expense of institutions?”

Sen. **Chuck Hagel** (R-NE) emphasized that Pakistan is part of “one of the most geo-strategically important areas of the world... our objective should be to help move Pakistan toward **some level of political consensus, rather than a deepening of the political crisis,**” though “we must recognize that our influence in Pakistan is limited.”

Richard Boucher stated that “Pakistan has moved forward” in recent years, citing **the opening of a freer media, strong support for the judiciary, and significant economic growth.** “Despite many difficulties, some of them self-imposed,” Pakistan is at a turning point in the path towards democracy, as there is now a civilian president and active political arena, he stated. In evaluating our assistance to Pakistan, Boucher explained, we have decided that “\$200 million that has here-to-for been spent through the Pakistani budget” will shifted to direct funding of AID projects in development and health.

We don't see Coalition Support Funds as foreign assistance, Boucher continued, “those are reimbursements” to an ally for the cost of the war on terror “in terms of food, ammunition, operating expenses, and fuel.”

James Kunder described USAID's programs in Pakistan, and stated that the U.S. is sending over an observer mission and is trying to make the Jan. 8th parliamentary election as transparent

and credible as possible, though “its not going to be perfect.” “Making this successful transition to civilian leadership” is the best basis on which Pakistan can move forward, he stated.

Regarding the Coalition Support Funds, Menendez expressed his hope that they are not, indeed, used “for putting military and police on the streets to disperse protestors.” In response to questions from Hagel, Boucher stated that he believed Musharraf would lift emergency rule on Dec. 16th as promised, and asserted that while **“one wouldn’t have wanted such disruption” of the media and political parties so close to the election**, Pakistan can still have a “credible, transparent election.”

Sen. **Richard Lugar** (R-IN) expressed his concern over the ability of political parties and the government to prepare for free and fair elections in the 23 days after the lifting of the state of emergency, in a country of 160 million challenged with a confusing political environment. **“The undercurrents are that President Musharraf, fearing that the Supreme Court would rule adversely on his election, declared a state of emergency,”** Lugar claimed. Boucher responded that a “good election is not made” just on election day; that “for years we have been funding” political party development, media, parallel vote counts, and voter education programs to prepare the field.

Sen. **Robert Corker** (R-TN) stressed that international observers need to be allowed into the country, that they cannot have their visas denied by the Pakistani government. He expressed concerns that the infrastructure beneath Musharraf, such as local leaders and lower level bureaucrats, could cause developments leading to calls that the elections are illegitimate. Sen. **Russell Feingold** (D-WI) expressed concern “that administration support for Musharraf is shortsighted and misguided,” as his recent decrees “are inconsistent with American values.”

Teresita Schaffer argued that funding to **support the Pakistani judiciary must go beyond technical assistance at local levels**, and must support an independent judiciary at higher levels as well. “U.S. economic assistance is our best instrument for investing in Pakistan’s future,” she stated, especially given Pakistan’s “disastrously under-funded” sectors of education and health. Given its importance for the stability of both Pakistan and Afghanistan, the Federal Administered Tribal Areas should be made a development priority despite the difficulties involved, she said.

Lawrence Korb testified that our current foreign assistance strategy to Pakistan no longer “aligns with our values,” and that since 2001, the balance of our aid has “emphasized military over economic assistance,” providing for the purchase of F-16s, among other weapons systems. “Because of a lack of transparency, the exact amount of total aid to Pakistan is unknown,” he stated. **Korb recommended conditioning “some portion of the military aid on future political developments in Pakistan’s transition to a more democratic future.”**

“Some people think things have turned a corner, are heading for the better in Pakistan,” given the “firm date of election, promise to lift the state of emergency, return of opposition leaders, and step down from the military,” **Robert Hathaway** said. This is a “fundamental misrepresentation,” he argued, as efforts **to co-opt the judiciary and media continue, as do police crackdowns on peaceful demonstrations**. That President Bush “praised Musharraf for his democratic credentials” has been seen by many Pakistanis as a betrayal of democracy.