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U.S.-Pakistan Relations: An Assessment of U.S. Assistance Policies, Civilian-Military Relations, and Prospects for a Strategic Shift

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Chairman Corker, Ranking Member Cardin, and Members of the Committee:

Thank you for inviting me to testify about Pakistan and the challenges for U.S. interests. In my testimony, I will address three broad issues. First, I will discuss U.S. assistance to Pakistan, weighing its limitations and its value as a policy tool for inducing Pakistan to undertake policies that serve U.S. interests. Second, I will assess the current status of civilian-military relations in Pakistan, stressing the primacy of the military, the prospects for civilian democracy, and the implications of political change in the near term. Third, I will consider the likelihood that Pakistan will take significant measures against militant organizations that threaten Pakistan’s neighbors, including the Haqqani Network, Lashkar-e-Taiba (LeT), and Jaish-e-Mohammad.

Lessons of U.S. Assistance and the Way Forwardⁱ

One lesson Washington should have learned from its long experience with Pakistan is never to overestimate the leverage generated by U.S. assistance. Despite tens of billions of dollars in aid since 9/11, Islamabad does not see the world through the United States’ preferred strategic prism, whether in Afghanistan, India, or with respect to nuclear proliferation. As I will discuss at greater length below, Pakistan’s inadequate effort in the fight against terrorism represents a fundamental sticking point in its relationship with the United States.

Then again, history also shows that U.S. sanctions on Pakistan throughout the 1990s failed to curtail Pakistan’s nuclear ambitions, the political dominance of its military, or the state’s support to terrorist groups like the Taliban and LeT that have engulfed the region in violence. In short, aid is no panacea. But neither are sanctions.

To appreciate the limitations of U.S. aid to Pakistan, we should begin by noting that assistance has never been the only—and is rarely the most significant—policy tool used by Washington at any given time. Therefore, the consequences of aid must not be judged as if they were delivered in a vacuum. For instance, U.S. lawmakers should not be surprised that billions of dollars in development assistance over the past decade failed to win Pakistani “hearts and minds” when the arrival of that money coincided with a massive surge in violence at least partly caused by the U.S. war in neighboring Afghanistan.

Worse than being ineffective, U.S. aid to Pakistan can even be counterproductive. Too often throughout the history of the U.S.-Pakistan relationship, American money has propped up some of the most repressive, anti-reformist leaders and institutions in Pakistani society, including the military and feudal civilian elites. Unfortunately, many of America’s natural allies in Pakistan have been alienated as a consequence.

In principle, whether provided for military or civilian purposes, aid can serve one of several basic aims: building capacity, improving leverage, and buying access. But too often the arguments for U.S. aid to Pakistan have been unconvincing because the purposes were muddled. The recent debate over whether to pay for F-16s is a case in point. It has never been clear precisely what U.S. financing of eight new F-16s would do to advance U.S. interests. Were they intended to improve Pakistan’s counterinsurgency capacity along the Afghan border? Buy U.S. officials more time in Army Chief Gen. Raheel Sharif’s office? Convince Pakistan’s army to attack the Haqqanis? The lack of clarity on this point—in a climate of pervasive skepticism about Pakistan—helped to kill that deal.

This leaves us with two questions: First, why bother to continue aid to Pakistan at all? And second, if there are good reasons to keep the aid flowing, can we do it more effectively?

At present, the simplest reason to avoid a dramatic cut in aid is that it would represent a significant shift from the status quo. Pakistan is a high-stakes game for the United States. Washington would be wise to steer clear of risky policy moves, including threats to curtail assistance and reimbursements, unless they hold the realistic promise of significant gains. This is not an unqualified argument against cutting Pakistan’s aid, but only for thinking carefully and acting with purpose.

Pakistan is a frustrating partner, but that does not reduce the value of its partnership to zero. Pakistan permits—and at times has enabled—the United States to wage a counterterror drone campaign over parts of its territory and, even at times of deep bilateral discord, to continue flying personnel and arms across Pakistani airspace into Afghanistan. Neither side has been eager to publicize these areas of cooperation, but even American skeptics must admit their utility. Air corridors are readily closed and drones are easy to shoot down, so if Pakistan had really wanted to end what in 2009 then-CIA Director Leon Panetta called the “only game in town in terms of confronting and trying to disrupt the al-Qaida leadership,” or to further complicate the U.S. war effort in Afghanistan, it could have done so without breaking much of a sweat. It still could.

Top U.S. policymakers appreciate that the inadequate cooperation we have from Pakistan today is probably better than none at all. They also know that Pakistan and the United States do face some common enemies, including al Qaeda, the Pakistani Taliban, and ISIS, even if we don’t see eye-to-eye on other fronts. In order to justify major policy shifts like eliminating aid, labeling Pakistan a state sponsor of terrorism, or enacting sanctions, U.S. policymakers should be able to explain how such actions would make America’s strategic predicament easier. In the process, they would need to consider the possibility that U.S. attempts at coercion could backfire, raising tensions and weakening Pakistan in ways that only make Islamabad less willing or able to advance any constructive agenda.

With U.S. presidential elections around the corner, now would be an especially poor time for Washington to undertake a tougher coercive approach with Pakistan. The Obama administration cannot credibly threaten Pakistan because it will not be in office long enough to make its threats real. Islamabad would exercise the option of waiting out any new policy from the Obama administration, hoping that the next president takes a friendlier approach. Some might argue that the Obama administration should take a parting shot at Pakistan, demonstrating its displeasure with Islamabad and then enabling the next administration to reestablish ties at whatever level it deems warranted. But such a move would force the incoming president to grapple with Pakistan immediately, a tall and unwelcome order given the many other global challenges that await.

It is difficult to imagine that any new White House team would willingly choose to make Pakistan a top issue for the president's first few months in office. That said, President Obama's successor is almost certain to order a thorough review of Pakistan policy upon taking office. Then, working on its own timeline, the new administration could decide to implement a restructuring and/or reduction of aid, threats of sanctions, and other coercive steps.

It is at least conceivable that a potent new combination of U.S. policies could compel or induce Pakistan's military and civilian establishment into enacting policies that better serve U.S. interests. Indeed, the United States has successfully coerced Pakistan in the past, at least temporarily. The George W. Bush administration's post-9/11 "with us or against us" threat to then-President Pervez Musharraf forced Pakistan into an early, if fleeting and inadequate, alliance against al-Qaeda, one that netted several high-profile terrorists living in Pakistan like Khalid Sheikh Mohammed. Of course, the new administration would also need to recognize that the United States is rarely as capable of delivering a credible threat as it was in the days after 9/11. Unless the United States is willing to pick a fight with Pakistan, it should avoid moves that irritate or weaken Islamabad when they hold little hope of advancing a serious strategic purpose.

I anticipate that after weighing all the costs and benefits, the next administration is likely to reduce and restructure assistance to Pakistan but not to end it altogether. With this in mind, the Obama administration would do its successor a favor by completing a final review of all existing and planned aid to Pakistan.

On the civilian side, this should be done with a critical eye to how each project can realistically contribute to Pakistan's economic and political development and/or reform. That review will enable the next administration to cut or reallocate resources in ways that better advance Pakistan's long term political stability, economic growth, and security, bearing in mind that U.S. aid alone cannot solve most of Pakistan's challenges and that the goal is to find areas where targeted investments of U.S. money or technical know-how can pay outsized or unique dividends. The review should also assess whether the overall scale of U.S. aid is appropriate to the task at hand in Pakistan, or whether a fundamentally different approach—such as the Chinese are pursuing with concessional loans aimed at promoting infrastructure or other investments—would be smarter.

With respect to security assistance, the next administration should think in terms of three basic categories of aid. Each would come with different purposes and conditions.

Aid in the first category would support Pakistan's activities in which there is a nearly complete convergence of American and Pakistani goals, but where the United States can offer financial, technical, or other support to lighten the burden on a relatively weaker, less-developed, and poorer nation. Military assistance in Pakistan's fight against domestic insurgent groups like the Tehrik-i-Taliban Pakistan would fall into this category, because Washington also views these groups as dangerous terrorists. In overseeing this aid, Congress would mainly seek confidence that U.S. resources are being put to effective use and would not need to impose significant conditions because Pakistani and U.S. ends and means are aligned.

Aid in the second category would be used to alter Pakistan's security tactics in areas where Washington and Islamabad agree broadly about ends, but not means. For instance, funds for counterinsurgency could be linked to

specialized training intended to reduce civilian casualties. This category of aid should be conditioned by Congress to make it more likely that it will be put to use in the ways defined by U.S. officials, but with enough flexibility to show that Washington's main goal is cooperation, not coercive leverage.

In the third category would be funds offered as inducements for strategic shifts by Pakistan. Aid in this category would be intended as leverage, for instance to encourage Pakistan to take action against terrorists like the Haqqani Network and LeT. These funds would need to be offered with strictly legislated conditions, structured in ways that ensure aid delivery takes place only after Pakistan satisfies Washington's requirements. Here, the goal is to demonstrate the value that the United States would place on policy shifts by Islamabad while simultaneously being honest with ourselves and the Pakistanis about the deep differences that threaten to derail the bilateral relationship.

Across the board, the clearer and more realistic our aims, the easier it will be to judge whether U.S. assistance is likely to deliver our desired outcome at a reasonable cost, the more likely it will garner sustained political support among Americans and their elected representatives, and the simpler it will be to explain to Pakistanis.

Military Dominance, Civilian Turbulence

Despite two rounds of democratic elections and eight years of civilian government, the military remains Pakistan's most dominant national political institution, the primary decision-maker on core matters of defense and foreign policy, and the chief steward of Pakistan's growing nuclear arsenal. Decisions about how to manage the state's relationships with violent extremist organizations depend on Pakistan's military, and within it, the powerful Inter-Services Intelligence directorate (ISI). In addition, the military has jealously guarded its perks and resources that insulate uniformed personnel from many of the economic hardships suffered by their countrymen. If Pakistan is ever to enjoy a more effective, consolidated democratic rule, the generals will need to loosen their hold and submit to civilian authority.

In 2008, the end of the Musharraf regime marked the return of elected civilian government and a euphoric surge of hope that Pakistan would set itself on a path of sustainable democracy. By the time the PPP-led government under president Asif Ali Zardari left office in 2013, however, it was widely perceived to have surrendered core governing authorities under pressure from the army. That year's resounding election victory by the PML-N and the return to power of Prime Minister Nawaz Sharif again raised expectations that a strong civilian team would use its popular legitimacy to check political encroachment by the military.

Yet during the past several years, Pakistan's army has on multiple occasions reasserted its dominance over civilian politicians. At least some of Pakistan's top brass are reportedly unsatisfied with Prime Minister Nawaz Sharif, blaming his government for ineffective rule or labeling him unfit for a variety of other reasons. Over the past six months, there has been media speculation that the prime minister might step down because of his failing health or because his family was implicated in the Panama Papers scandal, or that the current army chief, General Raheel Sharif, might be granted an extension rather than handing over his baton in November as scheduled. Simultaneously, political opposition parties are once again campaigning for Nawaz Sharif's ouster. In short, it is difficult to predict precisely who will be running Pakistan when America's next president takes office.

Under similar conditions in decades past, Pakistan might be ripe for a coup. Now the military is playing a savvy game, pulling the nation's strings from behind a curtain so as to avoid the taint of dictatorship and, perhaps more importantly, to shirk its responsibility for improving the quality of governance. But this puppet show may not be so easily sustained. Political turmoil has considerable disruptive potential in the short run. More worrisome, a sham democracy will have dangerous vulnerabilities over the long run, depriving the state of popular legitimacy in the midst of an existential confrontation with Islamist insurgency.

That said, barring a serious crisis, we should anticipate more policy continuity than change from Pakistan over the next six months. In particular, a new army chief is unlikely to alter Pakistan's strategic trajectory in significant ways—either positive or negative. This is partly a consequence of the fact that General Sharif (who nominates a short list of his successors) and Prime Minister Sharif (who selects his new chief from that list) both have strong reasons to avoid wild card candidates.

At other periods in U.S.-Pakistan history, U.S. officials have implicated themselves in Islamabad's political dramas. This was most notable in the final years of the Musharraf era. Today the cooling of the bilateral relationship in general and specific U.S. frustrations with all of Pakistan's leading political figures make that less likely. U.S. interests are now less personal and more institutional. American confidence in the benefits associated with civilian democratic rule will lead U.S. policymakers to support democratic reform and consolidation in Pakistan, while pressing security requirements will lead them to pursue certain types of cooperation with Pakistan's most powerful leaders, no matter who they happen to be.

Prospects for a Strategic Shift

Pakistani officials claim they are committed to countering all terrorists and militants on their soil, including groups that have historically enjoyed the support of the state like Lashkar-e-Taiba (LeT), Jaish-e-Mohammed, and the Haqqani Network. Americans are justifiably skeptical of such promises, having heard them repeatedly over the past fifteen years without adequate follow-through. One glaring example of the chasm between rhetoric and reality: President Musharraf banned LeT in 2002 but the group's leader Hafiz Mohammad Saeed still addresses large rallies in Pakistan's cities, including the capital. Many critics of Pakistan—whether Indian, Afghan, or American—see in all of this a nefarious double game. At best, Pakistan's leaders have failed to demonstrate to the world that they possess the will and capacity to implement a truly non-discriminatory approach toward terrorists.

This raises at least two questions. First, how would we know if Pakistan were actually in the process of a positive strategic shift on countering terrorism? And second, until Pakistan's position is clear, how should Washington deal with Islamabad?

The first question is a serious one because, as some Pakistani security officials argue in private, if Pakistan did pick a fight with all of the terrorists and militants on its soil at once, victory could not be assured. Beyond that, a frontal assault might not be the smartest approach to rooting out terrorists and unraveling decades of state support to militants. It could even make a bad situation worse. By this logic, if Pakistani leaders were aiming to demolish homegrown terrorist groups, they would have good reasons to hide their intentions and to play a more subtle game of divide and conquer. As a consequence, outside observers would find it difficult to discern the difference between a continuation of Pakistan's old double game and a carefully calibrated counterterror strategy.

Washington's patience with Pakistan on this score has waxed and waned. Shortly after 9/11, U.S. policymakers were often willing to accept such arguments at face value, or at least to give President Musharraf the benefit of the doubt when he professed his intention to eliminate all terrorists on his soil, but not all at the same time. By 2011, however, when Admiral Michael Mullen testified before Congress that the Haqqani network was a "veritable arm of Pakistan's Inter-Services Intelligence agency," it was clear that the burden of proof had shifted to Pakistan.

Today administration officials maintain greater equanimity. They have neither swooned over Pakistani army operations against the Pakistani Taliban (TTP) in North Waziristan (by, for instance, reprising some version of the Bush administration's rhetoric about Pakistan being a "frontline ally in the war on terror"),

nor have they regularly gone out of their way to belittle Pakistani efforts because they do too little to tackle America's terrorist enemies. More often than not, they have praised Pakistani steps in the right direction without attempting to judge their broader consequences. With some exceptions, including recent statements by Secretary Kerry in New Delhi, U.S. criticism tends to be delivered behind closed doors rather than through public reprimands.

This is the best near-term answer to how the United States should work with Pakistan, at least until the next administration is ready to formulate a different approach. In effect, it means accepting a gradual downward drift in relations with Pakistan while working within the confines of reduced expectations. Where U.S. and Pakistani security interests overlap, such as the fight against the TTP, there should be opportunities for cooperation and even significant U.S. assistance. For example, the FMF denied for use in purchasing F-16s could be well spent on weapons more clearly intended for use against the TTP. On other fronts, such as certifying that Pakistan is making progress against the Haqqani Network, U.S. officials should hold back until Pakistan delivers.

Yet U.S. and Pakistani officials must understand that they have found only a temporary salve for the relationship, not a sustainable equilibrium. Fundamental differences simmer on the back burner, unresolved. A relationship built on reduced expectations, diminished attention, and little trust will likely fizzle out over time, even if it is not again confronted by any spectacular crisis. And at least as long as sophisticated international terrorists call Pakistan home, another crisis is reasonably easy to envision.

ⁱ Parts of this testimony are drawn from several prior publications: "Stop Writing Pakistan Blank Checks," *Foreign Policy*, February 18, 2016, accessed online at <http://foreignpolicy.com/2016/02/18/pakistan-corker-military-aid-blank-checks-corruption-terrorism/>; "Preparing for Change," *The Cipher Brief*, March 29, 2016 accessed at <https://www.thecipherbrief.com/article/asia/preparing-change>; "Pakistan's Insider Threat," *The Fletcher Forum of World Affairs*, Vol. 38: 1 (Winter 2014): 41-46; "Superficially Normal," *The Cipher Brief*, October 7, 2015 accessed at <https://www.thecipherbrief.com/article/superficially-normal-0>; and "The Future of U.S.-Pakistan Relations," *Seminar*, 664 (December 2014): 69-73 accessed at http://www.india-seminar.com/2014/664/664_daniel_markey.htm.