Measuring the Effectiveness of US Development Aid to Pakistan

Thesis: International Politics Honors Seminar

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ABSTRACT

This paper will examine the extent to which US development aid to Pakistan has been effective as a tool of foreign policy. To do so, the paper will measure the effectiveness of aid in achieving stated diplomatic and development purposes since 9/11. First, in examining the fulfillment of diplomatic objectives, the paper will argue that aid has undoubtedly strengthened cooperation between the American and Pakistani governments at the elite level, but has not been able to impact the hearts and minds of the Pakistani people. The US’s involvement in the region has had a far greater impact on negative public perceptions, thus rendering the impact of aid on public opinion negligible. The paper will then argue that development aid has been moderately effective in achieving development goals. In the areas of education, earthquake relief, economic growth and health, aid has seen some successes, but it has failed to achieve the same results in the areas of good governance and humanitarian assistance. This failure is due to a number of challenges within the political environment in Pakistan, as well as the internal problems faced by USAID.
CHAPTER ONE

INTRODUCTION

Since September 11, 2001, the United States has provided $7.5 billion in overseas development assistance to Pakistan as a complement to the hefty military aid packages that the country has received for its assistance as an American ally in the War on Terror. Despite this significant allocation of non-military aid in an attempt to win the war on all fronts, there is an existing consensus both within news media and amongst scholars and analysts that aid to Pakistan has not been anywhere near as effective as intended. As the US continues to fight a protracted war in Afghanistan, analysts remain skeptical over the Pakistani government’s level of support and commitment to eliminating the Taliban, despite the military and non-military assistance it has received from the US for nearly a decade. While much has been written on the misuse of US military funding by the Pakistani army, the literature dealing with the effectiveness of development aid remains scant. This paper will therefore set out to measure the effectiveness of US development aid to Pakistan since 9/11 by answering the following question:

To what extent has US development aid to Pakistan been effective as a tool of foreign policy?

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2 So far, non-military aid to Pakistan has only constituted a tenth of all foreign aid to Pakistan, as indicated in Kronstadt, K. Alan. “Pakistan and Terrorism: A Summary.” CRS Report for Congress, Foreign Affairs, Defense and Trade Division, Report Number RS22632, 27 March 2007
4 See, for example, Office of the Press Secretary. “Remarks by the President on a New Strategy for Afghanistan and Pakistan,” The White House, 27 March 2009 and Kronstadt; “Pakistan and Terrorism”
The paper will argue that *US development aid to Pakistan has at best been moderately effective as a tool of foreign policy.*

**The Nature and Purpose of Foreign Aid as a Tool of Foreign Policy: A Definition**

At the outset, it is necessary to define what is meant by development aid as a tool of foreign policy, and to determine the objectives of such aid in order to be able to understand whether the objectives of aid have been achieved in the Pakistani context. This section will therefore rely heavily on official definitions of the nature and objectives of development aid. As defined by the Organization for Economic Cooperation and Development (OECD), overseas development assistance is any form of aid that consists of “financial and material resources provided to promote the broader economic development and welfare of developing countries.”

Within the traditional categorization of foreign aid into security-related and economic-related assistance, development assistance includes (but is not limited to) economic assistance. Unlike a regular loan, this aid is often described as concessional, for it offers less stringent terms of repayment. It is therefore understood that this assistance provided to developing countries for the official purpose of development is also intrinsically political in its allocation. Particularly since the beginning of the Cold War, such assistance has typically been considered a soft power tool in the foreign policy toolkit of donor countries.

A brief overview of the evolution of development aid as a tool of foreign policy indicates that the purposes of aid have historically evolved in line with changing global balances of power. Most recently, during the Cold War, the provision of non-military aid was thought to have four

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7 Ibid., 8
primary motives. Scholar Carol Lancaster defines these purposes as follows: “promoting economic and political transitions, addressing global problems, furthering democracy and managing conflict.” More specifically, the broad objectives guiding the United States in its allocation of foreign aid have been defined by scholar Lael Brainard as

1. Supporting the emergence of capable partners
2. Countering security threats from poorly performing states
3. Countering security threats with foreign partners
4. Countering humanitarian threats
5. Countering transnational threats

Within the context of the US-Pakistan relationship after 9/11, these five broader purposes can be condensed and integrated into two underlying drivers of foreign assistance to Pakistan: “diplomatic and development purposes.” Such foreign assistance is primarily disbursed through the United States Agency for International Development (USAID).

In Pakistan, the official diplomatic purposes of US non-military assistance as detailed by USAID have been twofold. First, through the provision of foreign assistance, the US has worked toward strengthening the US-Pakistan relationship of “mutual interest, mutual respect and mutual trust” at the elite level. Second, the US hopes to win the hearts and minds of the Pakistani

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10 Lancaster, *Foreign Aid*, 215
people and garner their support against the Taliban and Al-Qaeda in the War on Terror.\(^\text{12}\) According to USAID, the single official development purpose of US assistance is to “address needs in economic growth, health, good governance, earthquake reconstruction assistance as well as humanitarian assistance.”\(^\text{13}\)

In the long run, neither the diplomatic nor the development purposes of development aid can be dismissed as trivial, invalid or repetitive, for achieving shorter-term diplomatic objectives can only work well when complemented in the long term by the fulfillment of development goals.\(^\text{14}\) The hope behind the provision of overseas development assistance arises from widely-held beliefs about the link between poverty and militancy. Subsequently, analysts of the conflict in Pakistan and Afghanistan argue that an improvement in the standard of living through the provision of basic health and educational services will lead to an increase in human security and is likely to bring about a decline in the propensity toward participation in regional conflict and militancy, while an improvement in public perceptions of the US will bring about greater support for US efforts in Pakistan and Afghanistan.\(^\text{15}\) Over the long run, USAID believes that these simultaneous achievements will lead to a decline in militancy in Pakistan and will therefore provide more favorable conditions both for America’s military presence in the region and the achievement of US national security goals by allowing for “long-term political stability.”\(^\text{16}\) Such hopes are also evident in the conceptual framework for combating terrorism that has been

\(^\text{14}\) See, for example, Shapiro, Jacob N. and C. Christine Fair, “Understanding Support for Islamist Militancy in Pakistan,” *International Security*, Vol. 34, No. 3, Pg 79 – 118, Winter 2009 - 2010
\(^\text{16}\) USAID. “USAID: USAID in Pakistan – History.” (http://www.usaid.gov/pk/about/history.html)
employed by the US Army, which defines counterinsurgency as “an armed struggle for the support of the population.”

**US Development Assistance to Pakistan since 9/11: A Brief History**

The historical US-Pakistan aid relationship has been described by analysts as a complex subject. Despite the US’s oft-repeated official motive behind the provision of aid i.e. to further democracy around the world, it is evident from the case of Pakistan that aid flows are more heavily dependent on the relationship between the US and Pakistan than on the nature of Pakistan’s government. Most analyses of the US-Pakistan aid relationship begin from the observation that contrary to popular supposition, throughout Pakistan’s history, democratic governments have not received more aid than military dictatorships. Empirical evidence indicates that military regimes have consistently received greater volumes of aid than democratic governments, a fact attributed to the idea that the US found it far easier to work with military governments in achieving their goals within Pakistan.

From 1951 – 2009, the US gave roughly $7 billion to Pakistan in development assistance. Although a detailed historical overview of the US-Pakistan aid relationship is beyond the immediate concern of this paper, it is worthwhile to focus briefly on the period after the end of the Cold War. During the 1990s, with the imposition of nuclear non-proliferation sanctions on Pakistan, the USAID office in Pakistan was closed and development aid to the

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19 Ibid.
21 For a comprehensive history of the US-Pakistan development aid relationship, see USAID. “USAID: U.S. Assistance to Pakistan – Past and Present.” (http://www.usaid.gov/pk/about/history.html)
country was cut back tremendously.\textsuperscript{22} What had once been a thriving USAID mission in Pakistan was now diminished to an interim program, the Pakistan NGO Initiative, between 1993 and 2002.\textsuperscript{23} This initiative relied heavily upon local NGOs in Sindh and the North West Frontier Province.

However, after the September 11, 2001 terrorist attacks, the US government re-opened the USAID office in Pakistan with the desire to “tangibly improve the well-being of Pakistanis and to support the Government of Pakistan in fulfilling its vision of a moderate, democratic and prosperous country.”\textsuperscript{24} After the re-opening of the USAID office, education was established as the area that needed the most funding. This directive originated from the 2001 USAID Pakistan Planning Framework, which was formally based on evidence of “the grave state of the public education systems and the belief that a poorly educated populace impedes development.”\textsuperscript{25} Subsequently, a significant portion of US development funding was directed toward improving the state of basic and higher education in Pakistan.

Through USAID, the US government has given Pakistan $3.4 billion in development aid from 2002 to 2009.\textsuperscript{26} The Intelligence Reform and Terrorism Prevention Act of 2004 and the House Resolution I of the 110\textsuperscript{th} Congress (Implementing the 9/11 Commission Recommendations Act of 2007) were the most noteworthy pieces of aid-disbursement legislation during this period, which mandated the use of aid as part of a “long-term strategy to…support

\textsuperscript{22} Ibid.
\textsuperscript{24} USAID. “Partners: Small Grants and Ambassador’s Fund Program.” (http://www.sgafp.org.pk/partners.html)
\textsuperscript{25} Kunder, James R. “U.S. Assistance to Pakistan: Testimony Before the Senate Committee on Foreign Relations,” United States Senate, 6 December 2007, Pg 1
\textsuperscript{26} USAID. “USAID: USAID/Pakistan Mission Overview.” (http://www.usaid.gov/pk/about/)
Pakistan.”27 Most recently, the passage of the Kerry-Lugar Bill, also known as House Resolution 1886 or the Pakistan Enduring Assistance and Cooperation Enhancement Act of 2009, awarded $7.5 billion to Pakistan in development assistance over the next five years i.e. an average of $1.5 billion a year. Prior to the Act, the US had given $8,869 million in the form of security-related assistance and $3,129 million as economic-related assistance to Pakistan.28 Of the $7.5 billion in civilian assistance, the largest portion - $3.5 billion - was allocated to the development of “high impact, high visibility infrastructure,” a marked change from earlier aid efforts directed primarily at capacity-building through often low-visibility training programs.29 Of the remaining $4 billion, a total of $2 billion over five years would be allocated primarily to social services, while the other $2 billion would focus on funding better governance practices.30

Although the question of the effectiveness of development aid had been raised within news media and by scholars on several occasions since the re-opening of the USAID office in Pakistan, the passage of the PEACE Act led to a renewed debate over the necessity for increased foreign assistance in the face of plenty of evidence that previous aid awards had not had a significant impact on the Pakistani population. The amount of funding awarded by the PEACE Act was a subject of great debate, particularly amongst American policymakers, who noted that with the Act, the US would be spending more over the course of the next five years than it had spent in the entire history of its relationship with Pakistan. The PEACE Act also received much criticism from Pakistani observers, who were dissatisfied with the Act’s declaration that these

29 Rogin, Josh. “Exclusive: New Details on Obama’s $7.5 Billion Aid Package to Pakistan,” Foreign Policy, 16 December 2009
30 Ibid.
vast sums of development assistance would be cut short “if Pakistan [failed] to crack down on militants.”31 As a response to the debate, beginning in 2010, USAID spearheaded a number of efforts to sharpen its civilian assistance strategy in Pakistan, develop strong partnerships with local institutions, and increase oversight and monitoring of programs, particularly in the troubled Federally Administered Tribal Areas (FATA).32

Literature Review and Contribution of the Paper

There are two growing bodies of relevant literature within the broader development aid effectiveness debate. The first body consists of works that examine the numerous objectives behind development aid to determine which objectives are the driving forces behind the provision of aid. Although the first body of literature does not always deal directly with the case of Pakistan, it is nonetheless useful in addressing questions like: What is the real purpose behind the provision of development aid? Depending on the purpose, what outcomes can be used to judge the effectiveness of such aid? Upon having examined these questions, this section will then turn to the second body of literature, which consists of sources that directly discuss the degree of effectiveness of US development aid to Pakistan since 9/11. In doing so, the section will identify existing gaps within the available literature, and will then discuss how this paper will seek to fill one such gap.

To begin the discussion over the actual purposes of development aid, both real and unstated, one may turn to the USAID’s website, which states that the organization’s larger mission consists of “furthering America’s foreign policy interests in expanding democracy and

31 “About Those Billions,” Newsweek, 21 October 2009
32 Bever, James. “U.S. Assistance To Pakistan: Testimony Before the Subcommittee on National Security and Foreign Affairs, Committee on Oversight and Government Reform,” United States House of Representatives, 16 March 2010
free markets while improving the lives of citizens of the developing world.” However, many scholars of development aid and analysts of the US-Pakistan relationship forward the claim that the US’s national security interests are the primary drivers of foreign aid, rather than the attempt to improve the lives of the Pakistani public. For example, authors Elizabeth Matthews and Rhonda Callaway argue that the aid relationship between the US and Pakistan “exemplifies the tension between the promotion of human rights and national security concerns,” further forwarding the claim that US non-military funding to Pakistan after 9/11 is heavily, if not entirely, dependent on Pakistan’s status as an American ally in the War on Terror.

Within the body of development aid literature, there is a long-standing debate over whether development assistance can be of any use at all in facilitating development in a country, or whether the political objectives behind the donation of aid have come to mean that aid can no longer for development purposes. On one side, aid pessimists, including several economists, argue against the provision of overseas development assistance as a means to facilitate the growth of a country, noting that it is essential for less-developed countries to expend their own resources and work toward self-sufficiency in order to facilitate development. Within this school of thought, there is also great skepticism over the mission and work of aid agencies. One proponent of this thinking is William Easterly, who argues that several changes must be made in the current approach to foreign aid before aid can prove to be as productive as originally

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33 USAID. “USAID: About USAID.” (http://www.usaid.gov/about_usaid/)
34 Callaway, Rhonda and Elizabeth Matthews. Strategic US Foreign Assistance to Pakistan: The Battle Between Human Rights and National Security (Ashgate, VT: Ashgate Publishing Company, 2008), Pg 161 - 165
35 Ibid.
intended.\textsuperscript{37} Scholars who agree with the above approach often argue that development aid can never make “man-made disasters” any better; rather, pouring aid into situations other than natural disasters often leads to conflicts amongst political elite over the control of this aid.\textsuperscript{38}

On the other side of the spectrum, aid optimists i.e. the proponents of development aid argue that there is some merit to facilitating the economic growth of a developing country through funding from outside, particularly other developed countries.\textsuperscript{39} Scholars on this side of the debate accept the political intentions underlying most aid donations, but nonetheless argue that development aid can indeed make a difference in improving the quality of life of citizens in the recipient country.\textsuperscript{40} This argument begins from the premise that development aid is not intrinsically useless in making a difference to human security, and therefore cannot be discarded simply as a bribe.

This paper will also begin from the premise that there is the possibility for development aid to make a difference to human security by achieving stated development objectives, unless evidence indicates otherwise. In effect, the paper will therefore view development aid as more than just a series of payments for Pakistan’s efforts in the War, and will seek to measure the role of development aid as a tool of soft power over the medium to long-term. In doing so, the paper will confine itself to measuring effectiveness by the criterion indicated in official development objectives. The approach adopted does not completely reject the claim that the purpose of


\textsuperscript{38} See, for example, Easterly, “Can Foreign Aid Buy Growth?”; Keller, Art. “Ailing Aid: The Afpak Channel,” \textit{Foreign Policy}, 24 February 2011; Moyo, \textit{Dead Aid}; Polman, \textit{The Crisis Caravan}


\textsuperscript{40} See Mavrotas, George and Mark McGillivray, eds. \textit{Development Aid: A Fresh Look}. New York, NY: United Nations University Press, 2009
development aid is rarely, if ever, to bring about social and economic growth in a country. Rather, the paper takes into consideration the notion that US national security interests are often the most significant determinant of aid awards to Pakistan. However, a measure of whether development aid has been effective in achieving underlying national security objectives is beyond the interests of this paper.

The paper will not deal extensively with claims that the sole purpose of development aid is as a ‘bribe’ of sorts, to secure Pakistan’s continued assistance in the War on Terror, because there is insufficient concrete primary evidence to indicate that this is the case in Pakistan. While there is no doubt that aid money, both for military and non-military purposes, has been misspent over the past decade and continues to be misappropriated, one cannot make the claim that development aid is only ever used as a bribe. To the contrary, there is plenty of evidence to indicate that US non-military assistance to Pakistan has been used by the USAID to undertake projects in the areas of health, education, good governance etc. Although such projects face several challenges, including fraud, corruption and misappropriation of funds, there is still not enough evidence to dismiss various development projects simply as a smokescreen for what many scholars, particularly realists, would consider the real purpose of aid i.e. as a bribe.

In light of the paucity of substantial primary evidence to make the case for aid as a bribe alone, the paper will discuss both the successes and the failures of development aid. To determine what constitutes effectiveness, the paper will begin by considering specifically the official stated purposes of aid as a tool of foreign policy, instead of the overall objective of American involvement in Pakistan and Afghanistan. The paper will therefore seek to answer the

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question: Does development aid to Pakistan do what it says it will do? In determining the answer, the paper will not assume that either the proponents or the opponents of development aid are entirely accurate, but will rather seek to provide a fuller picture of the nature of development assistance to Pakistan, and the manner in which the claims of both schools are evident and valid in the case of Pakistan.

The second body of literature, namely, sources discussing the effectiveness of aid to Pakistan, allows for a better understanding of the successes and failures of development aid. The primary documents within this body consist largely of USAID program evaluations prepared by contracting firms that analyze the effectiveness of various programs undertaken in the areas of education, health, good governance, economic growth, earthquake reconstruction and humanitarian aid activities. While this paper will not delve into an extensive discussion of the successes and failures of each program within these six sectors, it will still employ case studies and data from these evaluations to provide an overview of the performance in each sector. Currently, there is a broad consensus within USAID program evaluations that while programs have been somewhat successful, much more can be done to improve implementation, monitoring and evaluation of projects. On the whole, these evaluations further the argument that despite the seemingly limited success of most programs, the programs have been able to do some effective work in the face of many challenges.

In addition to the USAID program evaluations, there are also a few evaluations conducted by the Government Accountability Office (GAO) and the Office of the Inspector

General (OIG), which seek to independently and critically evaluate USAID’s performance. Such reports provide a more detailed picture of the shortcomings of USAID programs. For instance, the GAO’s April 2010 report on the effectiveness of US development aid to the FATA region argues that of nine long-term USAID programs implemented, only five have been effective in meeting targets, while the other four have been relatively ineffective. Furthermore, USAID evaluations of the degree of effectiveness for these programs have not been successful due to the prevailing security situation and deficiencies within USAID’s existing performance management plan.

Finally, in addition to primary documents, the paper will rely extensively on scholarly analyses of aid effectiveness from think-tanks and newspaper articles. Some examples of this analysis can be seen through the work of analyst David Rogers, “The Great Pakistan Aid Debate,” which confirms the GAO Report’s argument about FATA through an analysis of the structural pitfalls of US funding to Pakistan. The idea that aid has not been as effective as intended is frequently reinforced through a variety of sources, particularly news media. Additionally, testimonies before Congress, such as those of Andrew Wilder and C. Christine Fair, also suggest the need for a broader reform of USAID’s approach to development in order

43 United States Government Accountability Office. Report to Congressional Addressees. “Combating Terrorism: Planning and Documentation of U.S. Development Assistance to Pakistan’s Federally Administered Tribal Areas Needs to Be Improved,” Pg 1
44 Ibid.
45 See, for example, Rogers, David. “The Great Pakistan Aid Debate,” Politico, May 11, 2010
47 See Rogers, “The Great Pakistan Aid Debate”
for the US to be able to see more concrete results from its investment in the stability of Pakistan.⁴⁸

USAID program evaluations provide a commentary on the effectiveness of aid in achieving development objectives, while secondary sources largely discuss the effectiveness of aid in achieving diplomatic objectives. However, there has as yet been no discussion that combines the two to provide a comprehensive evaluation of the effectiveness of aid as a tool of foreign policy. There have been several claims in both primary and secondary documents that aid has not been as effective as intended for either diplomatic or development purposes, but so far, there has been no evaluation that discusses aid’s ability to achieve these purposes over the past ten years. This paper will therefore fill a gap in the existing literature by examining the effectiveness of aid as a tool of foreign policy over the past decade, and detailing further the achievements of and challenges to this tool.

Outline of the Paper

The subsequent chapters will be structured as follows. First, Chapter 2 will discuss the effectiveness of aid in achieving stated diplomatic objectives. To do so, the chapter will begin by providing a survey of the relationship between those in the upper echelons of the two governments over the past decade. Through this survey, the chapter will argue first that US aid to Pakistan has been entirely successful in achieving its objective of strengthening cooperation between the two governments. The chapter will then look at surveys and opinion polls of the Pakistani public to determine whether non-military aid has succeeded in its second objective i.e.

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winning the hearts and minds of the people. The chapter will finally argue that negative public opinion of the United States is not due to the inadequate funding or difficulties with programs. Rather, hostility toward the US is so heavily influenced by the US’s military presence in the region that regardless of the volume of development aid, it is not likely that aid will be able to win hearts and minds so long as the Pakistani people continue to object to America’s military involvement in the region.

Having examined aid’s ability to fulfill diplomatic objectives, Chapter 3 will be devoted to a discussion of the effectiveness of aid in achieving stated development objectives. The particular focus of this chapter will be on outlining the successes in USAID programs in the six sectors in which aid is provided, largely through an examination of USAID program evaluations. The chapter will argue that programs in the fields of education, earthquake reconstruction, health and economic growth were moderately successful, while programs in the fields of humanitarian assistance (particularly after the floods) and good governance were only mildly effective, therefore rendering the US aid package to Pakistan only moderately effective at best in achieving its development objectives.

Chapter 4 will then discuss the challenges to USAID’s effective implementation of aid programs in the region. This discussion on obstacles will begin with two case studies of USAID contracting partners – namely, the Academy for Educational Development (AED) and The Citizens Foundation (TCF) – and will then draw lessons from these case studies. Particularly, the chapter will focus on the challenges posed by the culture of corruption and the security situation in Pakistan, the structure of USAID and its internal politics, and will finally provide a summary of Pakistani perspectives on the reasons behind the ineffectiveness of aid.
Finally, Chapter 5 will provide policy recommendations for improving the effectiveness of aid. Without suggesting that funding be increased, the chapter will focus on making suggestions to USAID, the US Government and the Pakistani Government about the manner in which current levels of funding can be used most effectively. The paper will then close with the concluding remarks in this chapter.
CHAPTER TWO

MEASURING THE EFFECTIVENESS OF US AID IN ACHIEVING DIPLOMATIC OBJECTIVES

An August 2010 New York Times editorial on the relationship between foreign aid and public perceptions of the United States, “Disaster Strategy: The Soft Heart and the Hard Sell,” describes Pakistan as “at the bottom of the lists of countries that pollsters say hate the United States.”49 This is not a lone opinion; indeed, there is a widespread consensus that the United States, despite repeated efforts, has failed to win the hearts and minds of the Pakistan public.50 Changing public perceptions of the US through the disbursement of development aid has been explicitly acknowledged by the US military as a crucial supplement to the actual improvements in human security intended through development aid.51 Winning hearts and minds is seen as an important goal, for without a decrease in animosity toward the United States, there is no guarantee that there will be a reduction in militancy in Pakistan.52 Arguably, therefore, even before one begins to examine the effectiveness of development aid in improving the standard of living of the Pakistani people, it is important to examine whether this aid has been successful in changing public perceptions of the US.

This chapter will examine the effectiveness of US non-military aid in achieving its stated diplomatic objectives. As detailed by USAID, these diplomatic objectives are twofold: to strengthen cooperation between the upper echelons of American and Pakistani leadership,53 and

52 See, for example, Kristof, Nicholas D. “It Takes a School, Not Missiles,” New York Times, 13 July 2008
to win the hearts and minds of the Pakistani people.54 The chapter will begin by looking at the changing nature of the US-Pakistani relationship in terms of the level of cooperation between government officials in order to determine whether this cooperation has increased with the provision of aid. The methodology employed in this regard will be a survey of scholarly analyses, articles from the media and government documents on the topic. The chapter will therefore argue that American aid to Pakistan has been instrumental in increasing cooperation between the leaders of the two nations, and has therefore achieved its first diplomatic purpose.

The chapter will then turn its attention to the changes in public perceptions of the US in Pakistan, in order to determine the extent to which aid has been able to win the hearts and minds of the Pakistani people. The methodology employed for this analysis will rely heavily on recent surveys such as the World Public Opinion survey of the Pakistani people, the New America Foundation’s poll of public opinion in Pakistan’s tribal regions, the PEW Research Center’s Analysis of Global Attitudes and Gallup Pakistan’s opinion poll.55 Ultimately, the chapter will forward the claim that it is difficult to determine exactly how aid has impacted public opinion of the US, for opposition to American military involvement in Pakistan plays a far greater role in shaping negative public perceptions of the US in contrast to the positive role of aid.

The role of aid in strengthening the US-Pakistan relationship at the elite level

It would be prudent to begin an examination of the spike in US-Pakistani cooperation at the government level by considering support from Congress for the provision of aid to various

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countries, including Pakistan, America’s newest ally in the War on Terror, shortly after 9/11. Following the terrorist attacks, the Bush administration proposed and implemented two major foreign aid programs: the 2002 Millennium Challenge Account, which called for a 50% increase in development funding within the next four years, and an HIV/AIDS program that was awarded $15 billion over the course of the next five years. While neither of the above mentioned programs provided aid directly to Pakistan, they nonetheless marked a shift in policymakers’ thinking about the role of foreign aid as a tool of foreign policy, and signified a new mindset wherein development aid was now a significant component in America’s relationship with other countries.

It was this change in perceptions about the role of foreign assistance that translated into extensive support within Congress for the resumption of USAID’s operations in Pakistan. Subsequently, beginning in November 2001, Pakistan was granted $1 billion in foreign aid from the US. On the military front, authors Craig Cohen and Derek Chollet noted in a 2007 *Washington Quarterly* article that the bilateral relationship between the US and Pakistan was renewed after September 11 in six areas: airspace cooperation, access to military bases, the use of Pakistani troops, support for US efforts in Afghanistan, control of Al-Qaeda at the border and intelligence cooperation. Interestingly, though, despite the renewed cooperation between the two nations, there was no legal attempt to emphasize the repayment of aid. As a result of this aid, a number of analysts, such as Samina Ahmed, have argued that then-President Pervez

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56 Callaway and Matthews. *Strategic US Foreign Assistance*, Pg 177 - 178
57 Ibid., Pg 62
59 Callaway and Matthews. *Strategic US Foreign Assistance*, Pg 178
61 Ibid.
Musharraf was able to fortify his military dictatorship within the country through support from the United States, which “strengthened his regime against domestic rivals.”

There is no doubt then that the provision of aid was an important factor in strengthening the relationship between the two governments, and at least in its initial years, appears to have achieved the first of the diplomatic purposes for which it was intended. The US’s desire to retain Pakistan as an ally in the War on Terror resulted in a continued favorable relationship between the two countries. The purpose of this section is to provide a summary of the relationship at the elite level, and a complete account of the evidence is therefore beyond the scope of the chapter. However, the nuances of the improved relationship between American and Pakistani leaders are best seen through the case of Musharraf’s resignation in 2007.

Before Musharraf was ousted in 2007, Washington maintained very good relations with the General, and the personal relationship between former President George W. Bush and General Musharraf was the driving factor in this agreement. For instance, in a 2006 meeting between the two at the White House, George Bush described the relationship in the following words: “When [Musharraf] looks me in the eye and says…there won’t be a Taliban and won’t be Al-Qaeda, I believe him, you know?” Along with the generous amounts of military and non-military aid provided to Pakistan as a reward for its support in the War on Terror, President Bush continued to publicly maintain a strong personal relationship with President Musharraf. This relationship was largely undeterred by the emergence of evidence that the Pakistanis were

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63 For such summaries, see, for example, Kronstadt, K. Alan. “Pakistan-US Relations: CRS Issue Brief for Congress,” Congressional Research Services, 6 March 2006 and Kronstadt, K. Alan, “Pakistan-US Relations,” Congressional Research Services, 6 February 2009
64 Office of the Press Secretary. “President Bush and President Musharraf of Pakistan Participate in Press Availability,” The White House, September 22, 2006
undoubtedly misreporting their aid expenditure.\textsuperscript{65} By some estimates from US Embassy officials in Islamabad, 70\% of the $5.4 billion in aid i.e. roughly $3.8 billion was spent on purposes other than those for which it was intended.\textsuperscript{66} One embassy official stated that only “30\% of the money [the Pakistanis] requested to be reimbursed was legitimate costs they expended.”\textsuperscript{67}

There is plenty of additional evidence in the literature and news media to indicate that the US treated various critical developments in Pakistan “with kid gloves” i.e. the United States was increasingly hesitant to denounce Musharraf’s dictatorship or to criticize the Pakistani government.\textsuperscript{68} On the Pakistani end, Musharraf was accused of exploiting American financial and military support, often promising to step up the fight against the Taliban, but in reality doing very little in this regard.\textsuperscript{69} Several analysts, including C. Christine Fair, were dissatisfied with the US government’s “all Musharraf all the time” attitude, which had continued despite evidence that Musharraf had not kept his various promises.\textsuperscript{70} Additionally, in 2006, the Center for Strategic and International Studies (CSIS) South Asia Monitor, commenting on a visit by Bush to Pakistan, noted that it was “an apt metaphor for US-Pakistan relations: a close personal relationship between the leaders, but mixed public reactions in both Pakistan and the United States.”\textsuperscript{71}

In 2007, Musharraf declared a state of emergency in Pakistan, which he argued was vital in order for the country to continue its assistance with the War on Terror, despite severe

\textsuperscript{65} Walsh, Declan. “Up To 70\% of US Aid to Pakistan 'Misspent'” \textit{The Guardian}, 27 February 2008
\textsuperscript{66} Ibid.
\textsuperscript{67} Ibid.
\textsuperscript{68} See, for example, Qureshi, Harris and Teresita C. Shaffer. “Pakistan and Musharraf: Surrounded by Uncertainty,” \textit{Center for Strategic and International Studies, South Asia Monitor, Number 106, 2 May 2007, Pg 3
\textsuperscript{69} Filkins, Dexter. “Right at the Edge,” \textit{New York Times, 7 September 2008, Pg 7
\textsuperscript{70} Fort, Sarah. “Billions in Aid, With No Accountability: Pakistan Receives the Most Post-9/11 U.S. Military Funding, Yet Has Failed to Ferret Out Al-Qaeda, Taliban Leaders,” \textit{The Center for Public Integrity}, 31 May 2007, Pg 5
\textsuperscript{71} “Pakistan and the United States: Sweet and Sour,” \textit{Center for Strategic and International Studies South Asia Monitor, 5 May 2006}
opposition to the declaration from the Pakistani people. During that time, there was a general consensus within US government circles that “Pakistan [had] become less stable since 9/11,” and that the military and non-military aid provided so far had yet to show results. Despite the completion of six years since the revival of its Mission in Pakistan, USAID had yet to release any program evaluations of its work in Pakistan. On the whole, there was a visible lack of transparency in the provision of aid to Pakistan, accompanied by growing fears that the corrupt bureaucracy was siphoning off significant chunks of aid money.

However, despite this understanding, the US government did not attempt to decrease the amount of aid it was providing to Pakistan or impose sanctions against the Pakistani government for misuse of the money. To the contrary, the Bush administration made no public move to ask Musharraf to relinquish his presidency; instead, there was simply a call for Pakistan to hold parliamentary elections. In this case, there was visible hesitation on the part of the US to take actions that would be seen as unsupportive of the Pakistani government, as American policymakers most likely believed that this would translate into a loss of support from Pakistan in the War on Terror.

Following Musharraf’s resignation, political analysts were cautiously optimistic about the future of US-Pakistan relations. For example, one analysis from the Center for American Progress (CAP) argued that this was an opportune time for the American government to broaden

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72 Callaway and Matthews. *Strategic US Foreign Assistance*, Pg 179
73 See, for example, Alarkson, W. “2008 Candidates Condemn Bhutto Assassination,” *The Hill*, 2007
76 Callaway and Matthews. *Strategic US Foreign Assistance*, Pg 179
its relationship with Pakistan far beyond ties with Musharraf.\textsuperscript{77} Many other analysts started to suggest that there was a possibility now for the US to cultivate a more comprehensive relationship with Pakistan as an ally, instead of focusing simply on working with one leader.

Subsequently, with the change in leadership following the election of the Obama administration, the purposes behind the provision of aid shifted slightly. There was now a much greater focus on the diplomatic purposes through the tripling of non-military funding in order to improve human security and promote development in Pakistan.\textsuperscript{78} This increase in funding was complemented by more frequent demands from Congress for better accountability on the Pakistani side, particularly with the use of military aid.\textsuperscript{79} Within academia and government circles, a consensus slowly emerged over the need for foreign aid reform, with a much greater focus on promoting simply development and long-term stability in Pakistan, and a reduction in the emphasis on the provision of aid in order to increase the likelihood of winning the war in Afghanistan.\textsuperscript{80}

Although the Obama-Zardari relationship is quite subdued relative to the Bush-Musharraf relationship, Musharraf’s successor, President Asif Ali Zardari, has continued to emphasize that Pakistan requires “unconditional assistance” in order to continue supporting American efforts in the War on Terror.\textsuperscript{81} Currently, the US’s relationship with Pakistan is also complicated by the fact that 80% of all American supplies and equipment to Afghanistan are shipped through

\textsuperscript{77} Wadhams, Caroline and Brian Katulis. “Musharraf’s Resignation Creates an Opening for U.S. Policy,” \textit{Center for American Progress}, 18 August 2008

\textsuperscript{78} USAID. “USAID: US-Pakistan Development Cooperation – A New Beginning.” (http://www.usaid.gov/pk/about/new_beginning.html)


\textsuperscript{80} For a more detailed discussion, see, for example, Epstein, Susan B. “Foreign Aid Reform, National Strategy and the Quadrennial Review,” \textit{Congressional Research Services}, 12 April 2010

\textsuperscript{81} “Pakistan Wants ‘Unconditional’ Aid to Fight Terror,” \textit{Associated Press}, 7 April 2009
Pakistan. Much like his predecessor, Zardari accepts increasing American aid packages and continues to side with the American government’s dictates despite widespread disapproval from the Pakistani public. In October 2010, the US announced that they would offer another $2 billion to Pakistan in order to assist the Pakistani government with procuring the military hardware necessary for rigorous counterinsurgency operations against militants, particularly in North Waziristan. In December that year, Wikileaks documents revealed that despite previous denouncements of American drone attacks, the Pakistani leadership had “quietly approved” these attacks and the operations carried out by US Special Forces in the country.

On the basis of all the evidence presented above, it is safe to conclude that aid has helped bolster the relationship between the two nations to one where the Pakistani government continues to receive aid money in exchange for tacit military agreements with the American government. Despite obvious complications within the relationship, the first of the diplomatic purposes of development aid, i.e. the strengthening of ties between governments has undoubtedly been achieved. Several analysts continue to argue, however, that there is the need for a greater need for mutual trust between both the leadership and the people within the two countries. For example, a recent Center for American Progress report expresses concern over continuing

82 Smith, Terrence and Teresita C. Schaffer. “Pakistan: In the Cauldron,” Center for Strategic and International Studies, South Asia Monitor, Number 139, 3 March 2010, Pg 3
84 Lister, Tim. “Wikileaks: Pakistan Quietly Approved Drone Attacks, US Special Units,” CNN, 1 December 2010
dissatisfaction amongst American policymakers with regard to Pakistan’s failure to deliver results, and over the growing mistrust of the US amongst the Pakistani people.\textsuperscript{87}

Undoubtedly, despite the strong relationship between the leaders of the two countries, the US continues to face tremendous difficulties in its fight against the Taliban in Pakistan.\textsuperscript{88} Analysts often attribute these difficulties to the second, apparently more crucial (albeit unfulfilled) diplomatic purpose: the US’s failure to win the support of the Pakistani people.\textsuperscript{89} The next section of this chapter will therefore be devoted to an analysis of aid’s ability to win hearts and minds, as seen through various opinion polls and surveys conducted by various international agencies in Pakistan.

**Aid and the Hearts and Minds of the Pakistani people**

The traditional answer offered by most observers to the question of whether the US has been able to win hearts and minds is an overwhelming no. This argument centers on public perceptions of the US, and essentially states that negative public perceptions imply a failure of development aid. Most recently, a July 2010 poll conducted by the Pew Research Center under the Global Attitudes Project confirms that “America’s…image remains negative in Pakistan. Along with Turks and Egyptians, Pakistanis give the US its lowest ratings among the 22 nations [surveyed].”\textsuperscript{90} It appears that this outlook is not new, and has been held by the Pakistani people even with regards to the previous American administration. For instance, the World Public Opinion poll confirmed that “only one in three Pakistanis express confidence in President Obama

\begin{itemize}
\item \textsuperscript{87} Ibid., Pg 6
\item \textsuperscript{88} See, for example, Schmitt, Eric. “Pakistan’s Failure to Hit Militant Sanctuary Has Positive Side for U.S.” \textit{New York Times}, 17 January 2011
\item \textsuperscript{90} Pew Global Attitudes Project, “America’s Image Remains Poor,” Pg 2
\end{itemize}
or think his policies will be better for Pakistan.” A July 2009 survey commissioned by Al Jazeera and administered by Gallup Pakistan also indicates that there is “widespread disenchantment with the United States for interfering in what most people consider internal Pakistani affairs.” Particularly in FATA, the New America Foundation’s September 2010 Terror Free Tomorrow Public Opinion Survey of FATA residents indicated that 83% of those surveyed did not look favorably upon President Obama.

At first glance, it appears, contrary to conventional arguments, that the dissatisfaction with the US is primarily due to American political and military involvement in Pakistan, and is not directly connected with aid flows. This observation is further supported by opinion polls. For example, the New America Foundation poll notes that:

The intense opposition to the US military and the drone program is *not* based on general anti-American feelings...for many FATA residents, *opposition to the US is based on current American military policy, not any intractably held anti-American beliefs* [emphasis added].

77% of interviewees indicated that they would perceive the US more favorably if it were to pull out of Afghanistan, but also added that there were other humanitarian actions that were almost equally preferred as solutions to improving the public image of the US. For instance, 66% of the FATA residents interviewed stated that “medical aid from the US” would improve

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92 Al Jazeera. “Pakistan,” Pg 1
93 Bergen et al. “Public Opinion in Pakistan’s Tribal Regions,” Pg 3
95 Bergen et al. “Public Opinion in Pakistan’s Tribal Regions,” Pg 11
96 Ibid.
their opinion of the country, and 68% confirmed that “US support for school construction and teacher training” would also be helpful.\textsuperscript{97} 72\% of all residents interviewed also confirmed that the “US brokering Middle East peace, visas to the US [and] educational scholarships to study in the USA” would lead to improved public perceptions of the US.\textsuperscript{98}

Given that USAID’s work in Pakistan already includes efforts to build schools, increase educational scholarships to the US, provide medical aid etc., the first question that then arises is the following: why haven’t these efforts had the intended impact on the Pakistani people? Put more simply, how is it the case that despite various USAID projects, the Pakistani public continues to retain an overwhelmingly negative perception of the US? The most obvious explanation that emerges from a consideration of this puzzle is that despite their scale, USAID projects have had no noteworthy impact on developing favorable perceptions of the US because other actions of the US have had a far greater impact on perception. A large part of current dissatisfaction amongst the Pakistani population also arises from the understanding that the US is not concerned about their welfare. Vali Nasr, senior advisor to envoy Holbrooke, said in a USA Today interview that “you have to show the United States is concerned about the welfare of the Pakistanis.”\textsuperscript{99}

Arguably, despite the disbursement of billions of dollars in development aid, the opinion of the Pakistani people remains remarkably unchanged because of their perceptions of the intentions behind the aid. Most Pakistanis see even development aid as a bribe of sorts, a lump sum distributed to the Pakistani government by the US in order to secure the leadership’s

\textsuperscript{97} Ibid.
\textsuperscript{98} Ibid.
\textsuperscript{99} MacLeod, Calum. “In Pakistan, U.S. Hopes Aid Builds Goodwill,” \textit{USA Today}, 5 September 2010
wordless cooperation on military ventures that Pakistanis see as violating the sovereignty of their country\textsuperscript{100}. For instance, as the World Public Opinion survey points out:

Very large majorities [of Pakistanis] continue to think that the US has hostile goals – to weaken and divide the Islamic world; to impose American culture on Muslim society; and to maintain control over the Middle East’s oil resources.\textsuperscript{101}

Similarly, in the New America Foundation poll, over 75\% of FATA residents polled agreed that the “continuing American occupation of Afghanistan was because of its larger war on Islam or part of an effort to secure oil and minerals in the region,” and very few residents actually believed that American presence in the region was motivated by a desire to fight the Taliban or seek justice after 9/11.\textsuperscript{102} On the whole, an understanding of US presence in the region as undoubtedly hostile has led to growing anti-Americanism and the subsequent rejection of all services associated with the United States. As a \textit{New York Times} editorial on the subject indicates, the case of Pakistan confirms the hypothesis that public perceptions of the US are most favorable in countries where aid flows are constant, regardless of changes in the political situation.\textsuperscript{103} Given the popular perception in Pakistan that aid from the US comes only at times when it wants Pakistani to follow its orders, it is no surprise that despite receiving significant amounts of American aid, public opinion of America remains largely negative.

Given the security situation in Pakistan, especially in FATA, it comes as no surprise that USAID is unable to place enough personnel on the ground to distribute aid and increase the

\textsuperscript{101} Ramsay et al. “Pakistan Public Opinion,” Pg 3
\textsuperscript{102} Bergen et al. “Public Opinion in Pakistan’s Tribal Regions,” Pg 3
\textsuperscript{103} McNeil, “Disaster Strategy”
visibility of America’s humanitarian intentions. For instance, the US government had allocated $728 million in development assistance between 2006 and 2009 to support long-term programs that provided medical, educational and overall development funding to people in the region.\textsuperscript{104} However, the April 2010 GAO Report on USAID’s work in FATA concluded that there had not been a suitably rigorous monitoring and follow-up process after the distribution of aid to the region, largely due to the volatile environment.\textsuperscript{105}

In this regard, the US’s efforts to win hearts and minds have also been undermined by requests from Islamabad not to “repeat the Afghanistan model” in FATA.\textsuperscript{106} Following an appeal from the Pakistani government, the US government agreed to remove UN and USAID logos on all development packages in FATA, as the Pakistani government believed that this would “undermine Islamabad’s presence” in the tribal areas.\textsuperscript{107} However, soon after the appointment of envoy Holbrooke, USAID began to demand greater recognition of its presence in Pakistan.\textsuperscript{108} Subsequently, USAID began to reject requests from contracting firms for waivers allowing them to hand out packages without the USAID logo, stating that it wanted to “publicize its partnership.”\textsuperscript{109}

Some analysts also argue then that especially in areas like FATA, the absence of American aid workers implies that US aid is rarely, if ever, utilized as intended for development purposes, since there is no external agent within the process to monitor the manner in which the


\textsuperscript{107} Ibid.

\textsuperscript{108} “U.S. Wants More Aid Recognition in Pakistan,” \textit{USA Today}, 25 September 2010

\textsuperscript{109} Ibid.
money is being used.\textsuperscript{110} Instead, aid money is often lost to corruption, resulting in very minimal outcomes relative to the humanitarian services provided by local militant groups.\textsuperscript{111}

However, evidence from surveys and opinion polls concludes that this is not the case, and that the effect of American aid is in no way impacted by the distribution of other aid by the Taliban and local militant groups.\textsuperscript{112} If anything, humanitarian activities by local militant organizations often pale in comparison to the work of USAID, given the much heftier amounts of funding that the US government disburses.\textsuperscript{113} This minimal impact of the work of the Taliban and other local militant groups and the subsequent lack of support for these groups is corroborated by evidence from the opinion polls, which indicate very low public support for the Taliban and Islamic militants. For instance, the World Public Opinion poll indicates that “Pakistani citizens show far less confidence in the potential for the Pakistani Taliban to govern effectively than they do for the government.”\textsuperscript{114} Similarly, in the New America Foundation’s survey, 70% of all FATA residents interviewed “back[ed] the Pakistani military pursuing Al-Qaeda and Taliban fighters in Tribal Areas...Taliban and Al-Qaeda fighters enjoy little popular support in the region.”\textsuperscript{115}

The above examples indicate that the Pakistani people generally have a very low level of confidence in the ability of local or national militant groups to govern effectively, and it is likely

that this mistrust is in part facilitated by the inability of these groups to efficiently fulfill the basic needs of a largely impoverished population. Although some analysts have argued that the ineffectiveness of US aid to Pakistan is largely due to the effective presence and operations of local militant groups,\textsuperscript{116} it is clear that the available data does not validate this alternative hypothesis as a plausible explanation. One can therefore conclude from the public perceptions detailed in opinion polls that American military action regions are by far the most detrimental to opinions about the US, and that other factors in the equation influencing public perceptions – such as the provision of humanitarian assistance from the US, or the work of local militant groups – do not have a comparable impact.

Given that the opinion polls reflect the scars of American military policies in Pakistan and not the successes of development aid, the following question then arises: Can aid have any impact at all in winning hearts and minds? Does the diplomatic objective of positively influencing public opinion still remain one that the US can set out to achieve, or could it be the case that there can be no real correlation between aid disbursed and public opinion in Pakistan? To answer this question, it is worthwhile to examine the conclusions of two recent surveys that measure the specific connection between aid and public opinion in Pakistan. The first is a World Bank Development Research Group Working Paper, “In Aid We Trust: Hearts and Minds and the Pakistan Earthquake of 2005,” by Tahir Andrabi and Jishnu Das.\textsuperscript{117} Andrabi and Das surveyed 28,000 households in northern Pakistan, located at varying distances from the epicenter of the earthquake, in an effort to measure whether development aid could have any impact on hearts and minds. They concluded that despite the presence of several established Islamic militant groups in the region that stepped in to help immediately after the earthquake, such as the

\textsuperscript{116} See, for example, Lancaster and Khan, “Extremists Fill Aid Chasm After Quake”

\textsuperscript{117} Andrabi and Das. “In Aid We Trust”
Jamaat u Daawa, Harkat ul Mujahideen, Hizbul Mujahideen and Jaish e Muhammad, foreign organizations and people distributing aid from abroad to earthquake victims at the time were able to influence the hearts and minds of the Pakistani people.\textsuperscript{118}

Most importantly, Andrabi and Das argued that the case of the 2005 earthquake was different from regular relief efforts, primarily because most respondents believed that aid distributed in the aftermath of the earthquake was done so for purely humanitarian purposes and likely did not have underlying political motivations. As a result, it was probably easier for the Pakistani people to place their trust in foreign aid workers at the time, relative to the likelihood of an increase in trust during present times, amidst a background of continued American drone strikes.\textsuperscript{119} Andrabi and Das also noted that trust in foreigners increases with the visibility of aid efforts, and that any foreign aid to Pakistan would therefore be more successful if it was seen as having been allocated purely on the basis of humanitarian grounds, but also if it were to be distributed directly by aid workers from foreign organizations.\textsuperscript{120} The case of the Pakistani earthquake is important because it indicates that a mistrust of Americans or a trust in local leadership, including Islamic militant groups, is not deep-seated. Rather, these preferences can be positively influenced by the distribution of aid, especially if this distribution is carried out in such a manner that foreign presence is highly visible. Although this is not always a feasible approach given the volatile security situation, it remains an indication of what has worked with efforts to win the “hearts and minds” of the Pakistani people.

However, a more recent study released by Andrew Wilder in the Overseas Development Institute journal \textit{Disasters} indicates that this positive change in perceptions of the United States

\textsuperscript{118} Ibid., Pg 22
\textsuperscript{119} Ibid., Pg 32
\textsuperscript{120} Ibid., Pg 31
can be no more than a short-term effect, and will not mean very much in the long run for overcoming dissatisfaction with the US’s military involvement in the region.\textsuperscript{121} Conducted in March 2007, the field research for the study focused on a much smaller sample of interviewees (262 respondents in earthquake-affected areas, as opposed to the 4670 respondents interviewed by Andrabi and Das who were directly affected by the quake\textsuperscript{122}).\textsuperscript{123} Wilder argues, however, that the $500 million donated by the US as humanitarian aid after the earthquake was “relatively ineffective at improving Pakistani perceptions of the US.”\textsuperscript{124} He acknowledges that public gratitude for the aid received after the earthquake had indeed changed perceptions of the usefulness of aid and the role of aid workers, he nonetheless notes that the political intentions behind this aid were explicit.\textsuperscript{125}

Some argue that the political motivations behind humanitarian aid were also explicit in the recent floods.\textsuperscript{126} In the case of the floods, however, there is the belief that the $76 billion in relief aid provided was nowhere near enough, especially when compared to the $1 billion in aid provided to Indonesia by the US after the 2004 tsunami, or the $100 billion in aid spent annually fighting the Taliban.\textsuperscript{127} Wilder points out that:

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\item Andrabi and Das. “In Aid We Trust,” Pg 11
\item Wilder, “Aid and Stability in Pakistan,” Pg S411
\item Ibid., Pg S422
\item Ibid., Pg S413 – S416
\item See, for example, Stokes, Christopher. “The ‘Useful Victims’ of Pakistan’s Flood: Drowning Humanitarian Aid,” \textit{Foreign Policy}, 27 October 2010
\end{enumerate}
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Several [NGO workers interviewed] for this study were skeptical that short-term 
gratitude for relief assistance would translate into longer-term hearts-and-minds 
benefits – either for militant Islamic groups or the US.\textsuperscript{128}

According to Wilder, therefore, all subsequent provisions of aid to Pakistan that were 
justified according the opinion polls right after the earthquake are both overly optimistic and 
misguided.\textsuperscript{129} In the long run, he concludes, development aid is not, and therefore should not be 
taken as a useful means to achieve national security objectives. Over a longer term, there is the 
concern that a focus on development aid as a means to achieving security objectives will come to 
mean that development aid will be measured more often by whether it has been able to win 
hearts and minds, and less and less often according to whether it has helped to achieve crucial 
development goals.\textsuperscript{130} Wilder bases his conclusion about the inconsequential role of development 
aid in achieving security interests on the premise that there is no real link between poverty and 
militancy in South Asia. Some surveys of Pakistani youth indicate that the evidence for a causal 
link between poverty and militancy is questionable, but a full discussion of whether the evidence 
points to a plausible link or a causal chain is beyond the scope of this paper.\textsuperscript{131}

Altogether, there is doubtless still some debate over the importance of winning hearts and 
minds as a sound counterinsurgency strategy, especially given the lack of evidence regarding the 
success of such a strategy. In a recent \textit{Foreign Policy} article, Roger Cranse, a USAID officer 
during the Vietnam war, draws several parallels between the current situation in Afghanistan and 
Vietnam during the war, noting that “perhaps…[the] importance of our [hearts and minds]

\textsuperscript{128} Wilder, “Aid and Stability in Pakistan,” Pg S421
\textsuperscript{129} Wilder, “Aid and Stability in Pakistan”, Pg S422
\textsuperscript{130} Ibid., Pg S423
counterinsurgency strategy in the eyes of the enemy was somewhat less than [they] hoped.”\textsuperscript{132}

Cranse also argues that much like Afghanistan, the US’s strategy during the Vietnam War i.e. “killing the enemy, racking up the body count,” meant that any attempt to really win hearts and minds was completely pushed to a side, therefore rendering these attempts almost entirely fruitless.\textsuperscript{133}

The available evidence therefore indicates that while aid has undoubtedly helped to strengthen ties between the two governments, it is impossible to say whether aid has had any impact on the hearts and minds of the people. Other American actions in the region, especially US military presence, have been of significant detriment to public perceptions of the US, on a scale that is much greater than the influence of development aid efforts. That said, it is not prudent to conclude from the above evidence that there is no room for development aid as a tool of foreign policy and that the US would be better off halting any assistance currently provided, as there is no evidence to indicate that the small segment of the population that view’s the US’s non-military presence favorably would have continued to do in the absence of any aid. It is also clear that in instances where aid is no longer seen as politically motivated or with strings attached, there is room for aid to win hearts and minds. Although it is impossible to measure the precise impact of aid in achieving its public diplomacy objective, it is nonetheless significant to remember that one may not discard the diplomatic function of aid as entirely ineffective, for in the long run, it is equally necessary to be able to build connections between leaders and win hearts and minds whilst improving the standard of living. Having established the overall moderate successes in public diplomacy, the next chapter will undertake an examination of the effectiveness of aid by focusing on the impact it has had on human security.

\textsuperscript{132} Cranse, Roger. “The ‘Hearts and Minds’ Guys,” Foreign Policy, 13 August 2010, Pg 4
\textsuperscript{133} Ibid.
CHAPTER THREE

MEASURING THE SUCCESSES OF US AID IN ACHIEVING DEVELOPMENT OBJECTIVES

Although it is difficult to establish a causal connection between development aid and changes in public opinion in Pakistan in light of the US’s military involvement in the region, it is still worthwhile to consider an evaluation of the effectiveness of foreign aid in achieving the development purposes for which it was intended. The debate over the effectiveness of development aid to Pakistan, which was renewed after the 2009 PEACE Act, focused on the ineffectiveness of aid due to the overwhelming number of structural problems, such as poor governance and a lack of accountability, which hinder the effective delivery of aid. However, despite broad claims that aid has been ineffective, there is still no comprehensive attempt to detail the nature and causes of this ineffectiveness. Most existing discussions within USAID program evaluations focus on specific projects in the six sectors, but do not provide a more general sense of the status of each sector.

This chapter will therefore aim to provide an overarching evaluation of the success of USAID programs in Pakistan, and will make the case that US aid has been moderately effective at best in achieving stated development objectives. However, the chapter will be unable to deal directly with the question of whether or not USAID programs have met their targets in various

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sectors due to the lack of publicly available information on USAID targets in each sector. Therefore, for instance, although the chapter will discuss the number of students since the beginning of USAID education programs, it will not be able to comment on whether this number is more or less than originally intended for the amount of funding awarded.

**Methodological Approach and Limitations**

This evaluation of the effectiveness of US aid in achieving development objectives will focus entirely on US aid distributed to Pakistan through the United States Agency for International Development (USAID). As the primary government-funded development agency, USAID receives instructions from the Secretary of State to ensure that the distribution of aid is aligned with US foreign policy objectives. Between 2002 and 2009, the US government allocated $3.4 billion in development aid to Pakistan to work on improving six crucial areas, namely, “economic growth, education, health, good governance, earthquake reconstruction assistance as well as humanitarian assistance.”

In December 2009, President Obama outlined a new USAID Country Assistance Strategy for Pakistan from 2010 – 2014, with the aim of tailoring foreign aid to suit the particular development needs of Pakistan and efficiently utilizing the $1.5 billion per annum from the PEACE Act.

In order to provide a better idea of the successes and failures within the work of the USAID in Pakistan, this chapter will adopt the following methodological approach. Wherever possible, it will rely on data from sources other than USAID to measure the impact of USAID programs. However, given that such independent evaluations of USAID’s work are extremely

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rare and somewhat limited in their scope, this chapter will neither attempt to nor be able to prepare its own thorough evaluation of USAID’s work in Pakistan. Instead, it will rely on a combination of media reports, analysis by think-tanks and NGOs and Congressional hearings to supplement existing data from both USAID and external sources regarding the impact of US government aid to Pakistan. In doing so, then, the chapter will first lay out the impact of programs in a particular sector as highlighted by USAID’s most recent published data. Although there is no publicly available data on the numerical level of output that USAID intended to achieve within each target, the chapter will try to provide a sense of what the USAID numbers mean by looking at Congressional hearings and other data and reports to determine what hasn’t been accomplished and what has been insufficiently accomplished in each sector.

This methodology is of course limited by the lack of independent evaluations that deal specifically with the work of USAID in Pakistan. Therefore, although the chapter will look at other indicators published by organizations such as the World Bank and Transparency International, it will not be able to establish a causal link or provide an accurate numerical estimate of the role of USAID in these country-wide changes. Wherever possible, the chapter will also concern itself with the measurement of changes in intermediary outcomes of aid efforts, instead of the inputs or final outcomes of these efforts. Although some analysts participating in the debate over the effectiveness of aid are of the opinion that it would be better to discuss “the ultimate outcomes of development programs as a whole…not just the inputs created by aid projects,” the difficulty in establishing causal links between available data on ultimate outcomes within Pakistan and the work of the USAID results will confine this analysis to a focus on some intermediary outcomes, such as measuring the number of schools in addition to

measuring the level of student enrolment to determine the effectiveness of education programs. This combined approach is still preferable to measuring inputs alone, because it provides some indication of the effectiveness of actions from both sides of the US-Pakistan relationship. While measuring inputs alone indicates the degree to which the US government has been working to ensure human security in Pakistan, measuring outputs instead of inputs is beneficial in that it indicates the degree to which the Pakistani government has successfully utilized the aid provided in order to ensure the well-being of the Pakistani people.139

**Counterarguments**

Some might argue that an evaluation of the effectiveness of aid for development purposes itself is not even worth considering, for development aid within this view is mostly useful as a bribe and not much else.140 However, despite the various arguments that are advanced wherein development aid is considered as only a poor complement to military aid in facilitating Pakistan’s participation in the War on Terror, it is worth considering the difference that development aid has made toward the improvement of human security within the country for two primary reasons.

The first reason is that current efforts to secure Pakistani cooperation solely through the provisions of billions of dollars in military aid and hardware have been identified as both insufficient and unsustainable over the long term because of their failure to reduce regional conflict and win the trust of the Pakistani people.141 Despite this growing consensus, the PEACE Act of 2009 has promised to provide $2.9 billion in “counterinsurgency and counterterrorism

139 Ibid.
141 See, for example, Kristof, “It Takes A School, Not Missiles”
assistance” and $1.6 billion in “security assistance” between 2010 and 2013. Given that military aid to Pakistan has increased in spite of the awareness that the aid provided so far has been largely ineffective, it is valuable to examine ways in which the development purposes of aid can be better achieved in order to enhance the overall utility of aid.

The other reason for examining the extent to which the development purposes of aid have been achieved lies in the understanding that achieving development objectives will in turn serve to reinforce diplomatic objectives. An improvement in human conditions in areas like the North West Frontier Province (NWFP) and the Federally Administered Tribal Areas (FATA) will lead to an increase in human security and a decline in the propensity toward regional conflict and militancy. Ultimately, a combination of an improvement in the standards of living and more positive perceptions of the United States will facilitate better conditions for US presence in the region and US national security, and will eventually create an environment that is conducive to “long-term stability.”

What Can $7.5 Billion Do Over Five Years?

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143 For articles that discuss evidence of the ineffectiveness of aid, see, for example, Wilder, Andrew. “Hearing on US Aid to Pakistan: Planning and Accountability – A Testimony,” House Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs, 9 December 2009; Bessingpas, Maureen. “Reforming Primary Education in Pakistan in the Interests of U.S. National Security,” Graduate Thesis, Georgetown University, 21 November 2009

144 For a sampling of the discussion on the relationship between diplomatic and development objectives, see, for example, Adams, Gordon. “Smart Power: Rebalancing the Foreign Policy/National Security Toolkit,” Testimony before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, of the Senate Committee on Homeland Security and Governmental Affairs (Hearing on “A Reliance on Smart Power – Reforming the Foreign Assistance Bureaucracy”), 31 January 2008

145 For studies that have indicated the links between poverty and militancy, see, for example, Aftab, Safiya, “Poverty and Militancy,” Pips Journal of Conflict Studies, Vol. 1, Issue 1, Pg 65 – 86, October – December 2009 and Shapiro, Jacob N. and C. Christine Fair, “Understanding Support for Islamist Militancy in Pakistan,” International Security, Vol. 34, No. 3, Pg 79 – 118, Winter 2009 - 2010

With any claims made about the effectiveness of US aid, it is also important to keep in mind the percentage of US aid relative to the expenditure of Pakistan in a particular area. As of 2007, an article in the *Washington Quarterly* noted that despite the 9/11 Commission’s argument\(^{147}\) that development assistance was integral to reducing the threat the US faced from Afghanistan and Pakistan, the actual amount of assistance Pakistan had received by then was around close to $64 million each year.\(^{148}\) Given that Pakistan has over 55 million children of school-going age, the amount spent on each child for education would be roughly $1.16 each year.\(^{149}\) Additionally, in 2008, the OECD’s Global Humanitarian Assistance initiative noted that of all overseas development assistance recipient countries with more than half a million inhabitants, the total development assistance each citizen in Pakistan received was $9.2 per capita.\(^{150}\) By 2009, the OECD noted that humanitarian aid per citizen was $3.1, of a total of $15.8 in overseas development assistance per capita.\(^{151}\)

Currently, the US gives $1.5 billion a year to Pakistan, which has been widely denounced in the Pakistani media, as it “amounts to less than 3% of the Pakistani GDP.”\(^{152}\) Another commentator, Moin Ansari, described the US aid package to Pakistan as “peanuts,” noting that Pakistan received only $1.5 billion, in comparison with Egypt, which received $2.5 billion each.

\(^{147}\) Detailed in “Extremist Madrassas, Ghost Schools and US Aid to Pakistan: Are We Making The Grade on the 9/11 Commission Report Card?” *United States House of Representatives*, Hearing Before the Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs. 110\(^{th}\) Congress. First Session. 9\(^{th}\) May 2007.


\(^{149}\) Ibid.


\(^{151}\) Global Humanitarian Assistance. “Pakistan: Overview,” *Global Humanitarian Assistance* (http://www.globalhumanitarianassistance.org/countryprofile/pakistan), Pg 1

Ansari also compared the aid received by Pakistan to the aid received by Afghanistan and Iraq, stating that “Afghanistan got $143 billion in the past eight years while Iraq got $605 billion. The aid to Pakistan was $5 billion.” All these figures indicate that the current amount of development aid provided is relatively insignificant in a country where 60% of the population lives on less than $2 a day, and cannot therefore be expected to make any hefty change in the standard of living.

Some political commentators opposed to the PEACE Act noted in 2009 that at the time of the passage of the bill, Pakistan’s population was around 180 million, and it’s GDP in 2006 was $144 billion. Therefore, for example, as Stephen M. Walt argued in a *Foreign Policy* article, “the aid package amounts to around a 1 percent increase in Pakistani GDP, which works out to about $8 for each Pakistani.” Ultimately, Walt noted, given that Pakistan had received the equivalent of $45 billion in US aid since 2009, it was not likely that this increase in aid to $1.5 billion per year was “going to work miracles.”

The various claims about the relatively minuscule amount of aid funding provide different figures for every year, and note different amounts spent on each sector. However, each of the figures listed in this section point to a common understanding, which is that the amount of development aid received is but a small percentage of Pakistan’s GDP. Therefore, in any evaluation of the effectiveness of this aid, it would be prudent to remember that an amount that is

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154 Ibid., Pg 4
156 Walt, Stephen M. “Your Tax Dollars At Work?” *Foreign Policy*, 26 May 2009
157 Ibid.
relatively so small cannot be expected to make huge observable changes in sectors that are already plagued with problems, like good governance, health and education.

**The effectiveness of USAID/Pakistan’s Education Program**

Of the various areas in which USAID provides development aid to Pakistan, education is perhaps the most widely discussed. From 2002 to 2006, the Pakistani government laid out and executed the Education Sector Reforms (ESR) Action Plan, and aid provided by the USAID has been directed primarily toward projects that are directly in line with the objectives of the ESR Action Plan.\(^ {158}\) Under the umbrella of education aid, USAID is implementing several programs, such as the Fulbright, the Merit and Needs-based Scholarship Program, Strengthening Teacher Education in Pakistan, Pre-Service Teachers Education Program and the Links to Learning: Education Support to Pakistan Program.\(^ {159}\)

Among the many listed accomplishments of these programs, it is prudent to begin by looking at certain elementary indicators, such as the literacy rate and the number of children in school. USAID’s Education Factsheet notes that its adult literacy programs have resulted in a 10% increase in the literacy rate from between 2001 and 2008.\(^ {160}\) Additionally, due to USAID programs, 900,000 more children were enrolled in schools during this time period.\(^ {161}\) Finally, since the beginning of USAID’s involvement with education in 2001, 12,000 teachers and 3000 administrators received training in classroom management techniques.\(^ {162}\)

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\(^{160}\) ibid., Pg 1

\(^{161}\) ibid.

\(^{162}\) ibid.
When examined alone, these numbers do not indicate whether USAID has managed to meet any targets for school enrolment, literacy rates and the like. The USAID’s Education Factsheet, for example, does not indicate the extent to which USAID’s programs contributed to the rise in the adult literacy rate. Information from outside sources, such as the Government of Pakistan, indicates that there was a fall in the number of primary schools between 2006 and 2008, but an increase in primary enrolment within this period.\footnote{StatPak. "Pakistan Enrolment Statistics," 2009} There is no data to indicate whether this fall in the number of primary schools included USAID-funded schools or not, and to what extent. However, when one contrasts these achievements with the literacy rate of Pakistan and the country’s population, it is evident that US education aid, which was around $2 per child in Pakistan between 2001 and 2007, will not be able to make significant dents in the literacy rate.\footnote{Sweet, Andrew and Natalie Ondiak. "The Cost of Reaction: The Long-Term Costs of Short-Term Cures,” \textit{Center for American Progress}, July 2008, Pg 6}

In light of the gaps in available data, an evaluation of the work of USAID in the field of education is perhaps best done by focusing on what USAID has accomplished. One can safely say that USAID spent about $125 million in Pakistan for education, and was able to use that money to provide educational services to about 900,000 children.\footnote{USAID. “USAID/Pakistan: Education Program Fact Sheet,” July 2010} These numbers do not depict the qualitative difficulties in carrying out various education programs in Pakistan, which have certainly contributed to USAID’s inability to fully accomplish initial targets in the field. There is no publicly available data on what these initial targets were, but USAID evaluations are able to
conclude that despite the successes of programs, initial targets were not met\textsuperscript{166}. In the field of education, US aid to Pakistan has most likely been reasonably effective at best.

**The effectiveness of USAID/Pakistan’s Democracy and Governance Program**

Another widely discussed but equally difficult set of initiatives to measure is the democracy and governance program of the USAID. Between 2008 and 2010, the two biggest accomplishments of this sector were the opening of an anti-fraud hotline with Transparency International and the beginning of the construction of “a new $9.3 million facility for the Pakistan Institute for Parliamentary Services.”\textsuperscript{167}

Currently, the USAID is undertaking projects such as the Pakistan Electoral Support Program, the Strengthening Citizen Voice and Accountability Program and the Municipal Services Delivery Program. The most significant accomplishments from these programs include training for 12,000 municipal officials in the area of public participation, workshops with 87,000 citizens to facilitate work on local government budget consultations, and regular collaboration with the Election Commission of Pakistan.\textsuperscript{168}

The question of whether US aid to Pakistan has on the whole been supportive of democratic governments over military dictatorships is an interesting one, and many analysts indicate that the US’s aid flows to Pakistan have not always been consistent with its stated goals of promoting democracy. For instance, in a 2009 paper in *Policy Perspectives*, author Murad Ali


\textsuperscript{167} For a complete discussion of USAID democracy and governance programs and their objectives, see USAID. “USAID/Pakistan: Democracy and Governance Program Fact Sheet,” January 2011 (<http://www.usaid.gov/pk/sectors/democracy/docs/dg_factsheet.pdf>)

\textsuperscript{168} Ibid., Pg 1
argues that that historically, there is an inverse relationship between the amount of aid received and the level of democracy within the Pakistani leadership. As a result, Ali concludes that “US aid has not been used to promote democracy in Pakistan; in fact, it has undermined it” by supporting dictators over democratic leaders.  

Several analysts argue that the failure of US aid to bring about any real changes in Pakistan can be seen through increasing violence and insecurity in the region. For instance, between 2003 and 2007, deaths from terrorist violence rose from 189 to 3599, leading analysts to conclude that aid had had entirely unintended consequences – instead of making Pakistan more stable, it resulted in an increase in sectarian violence. Additionally, when surveyed by the Center for American Progress in June 2008, 63% of those surveyed “felt less secure than they did just one year ago.” 86% of Pakistanis surveyed “believed their country was headed in the wrong direction,” and 72% believed “their economic situation had worsened in the last year.”

By these accounts, then, it appears that especially around 2008, following the removal of Musharraf, Pakistanis were beginning to sense a concrete decline in the rule of law and the ability of the government to maintain peace and stability.

It is certainly difficult to say from USAID evaluations alone whether these numbers have been higher or lower than the levels of achievement intended through USAID programs, for there is no published data to that effect. However, if we turn our attention to other analyses of corruption and governance in Pakistan, we see, for example, that in 2010, the Brookings

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171 “U.S. Aid to Pakistan By the Numbers,” Center for American Progress, 21 August 2008, Pg 2
172 Ibid.
Institution released a report detailing various governance indicators in Pakistan. The first major indicator provided in the Brookings report is the Reporters without Borders Index of Press Freedom table, where each country is receives a score based on the conditions for press freedom, and lower scores are indicative of a higher degree of press freedom. In 2002, Pakistan’s score was 44.7 and it ranked 119th out of the 139 countries included in the rating. In 2006, this score had risen to 70.3, with Pakistan being ranked 157th out of 168 countries, and in 2007, Pakistan’s score was 64.8. The Report states that in comparison, “the top-rated countries for 2007 received an overall score of 0.75, with the median receiving a score of 25.3. The overall average score for the 2007 index was 31.5.” From the above data, it is evident that Pakistan has one of the lowest levels of press freedoms in the world, therefore indicating either a failure on the part of the government or a lack of interest in maintain a free and fair press.

By 2010, Pakistan’s score on the index had fallen to 56.2 and it ranked 151st out of 178 countries surveyed. Despite this relative improvement in press freedom since 2006 – 2007, it is clear that between 2002 and 2010, press freedom in Pakistan declined noticeably, and “violation[s] directly affecting journalists (such as murders, imprisonment, physical attacks and threats) and news media (censorship, confiscation issues, searches and harassment)” increased. All of the above considerations point to the growing systemic decline in transparency throughout the state, and are strongly indicative of the failure of various good governance and anti-corruption programs implemented by both NGOs and the government in Pakistan. However, it is

174 Ibid., Pg 16
175 Ibid.
176 Ibid.
177 Ibid.
178 Ibid.
179 Ibid.
not possible to establish the extent to which USAID’s programs contributed (or failed to) to this decline in transparency and is therefore difficult to determine USAID’s impact on changes in transparency. One can safely conclude, however, that programs directed toward corruption have made no noticeable impact on governance in Pakistan.

The other major indicator of the level of corruption in Pakistan is Transparency International’s Annual Corruption Perceptions Index (CPI), which “scores countries on a scale from zero to ten, with zero indicating high levels of perceived corruption and ten indicating low levels of perceived corruption.”\(^{180}\) Although Pakistan’s score is not explicitly detailed in the Brookings table, it is indicated that Pakistan ranked 79 out of 91 countries surveyed in 2001. By 2010, Pakistan’s rank had risen to 143 out of 178 countries surveyed.\(^{181}\) We therefore see that Pakistan ranked in the 86\(^{th}\) percentile for most corrupt countries in 2001, but had dropped to the 80\(^{th}\) percentile by 2010. It is impossible to attribute the cause of this fall directly to USAID programs, but it is still worthwhile to remember that Pakistan is among the top 20\(^{th}\) of corrupt countries worldwide. It is difficult to then provide a direct answer to the question of whether USAID’s programs have worked in Pakistan, but the November 2008 Rule of Law Assessment in reaches the following conclusion:

> The inability of this weak and overburdened system to effectively address a rising level of crime and violence has fueled support for alternatives to the justice

\(^{180}\) Livingston and O’Hanlon. “Pakistan Index,” Pg 16

\(^{181}\) Ibid.
system…the weak justice system and lack of public confidence thus contribute to
the cycle of rising violence and extremism.\textsuperscript{182}

Indicators measuring governance and corruption in Pakistan indicate that on the whole, good governance practices have not been implemented as intended since 2001. To the contrary, for the most part, governance has worsened and corruption has increased over the past decade due to the political turmoil the country has been experiencing. One may therefore conclude that any USAID efforts directed at improving governance and reducing corruption have not been successful.

**The effectiveness of USAID/Pakistan’s Earthquake Reconstruction Activities**

Unlike the programs focusing on good governance and reducing corruption, it is relatively easier to measure the successes seen in USAID’s earthquake reconstruction activities. The October 2005 earthquake in Pakistan destroyed 272,000 buildings and left approximately 3.5 million people homeless.\textsuperscript{183} Beginning in January 2006, USAID provided a $200 million grant to the Pakistani government with the aim of “strengthen[ing] health and education systems and restore livelihood opportunities in selected earthquake-affected areas.”\textsuperscript{184} USAID’s funds were distributed in five areas: construction, education, health, livelihoods and program support. As a result of this funding, aid workers from USAID were able to successfully rebuild schools to cater to 20,000 children, and to construct five hospitals that served around 200,000 people.\textsuperscript{185} USAID also boasts of having trained citizens to form a “community-management culture” for the


\textsuperscript{183} United States Agency for International Development. “Audit of USAID/Pakistan’s Earthquake Reconstruction Activities,’ *Office of the Inspector General*, 25 November 2008, Pg 1

\textsuperscript{184} Ibid.

purposes of observing, monitoring and evaluating services provided as a part of reconstruction.\(^\text{186}\)

However, USAID’s earthquake reconstruction activities have also faced some significant challenges, such as delays in the implementation of plans for construction, inadequate monitoring procedures, insufficient performance management plans and spotty assessments.\(^\text{187}\) Therefore, while one might argue that USAID’s earthquake reconstruction efforts have had a number of visible successes, it is also important to take into consideration the impact of the various social and cultural challenges to reconstruction, and the difficulty with making a visible difference given the widespread devastation due to the earthquake. It is therefore safe to conclude that the earthquake reconstruction efforts were moderately successful in providing healthcare and helping rebuild homes.

**The effectiveness of USAID/Pakistan’s Humanitarian Assistance Program**

Recently, in addition to various earthquake reconstruction programs, USAID has also been providing humanitarian assistance to Pakistan following the 2010 floods. Over the course of two months, the 2010 floods affected 20.2 million people and destroyed 1.9 million homes.\(^\text{188}\) To assist the Pakistan government in responding to the floods, the US government allocated a total of $381.5 million.\(^\text{189}\) After the floods, USAID reports that the Pakistani government has been able to distribute 1.4 million debit cards to flood-affected families, but does not detail the extent

\(^{186}\) Ibid.
\(^{189}\) Ibid.
to which USAID contributed to the creation and distribution of these cards.\textsuperscript{190} The USAID Flood Fact Sheet notes that USAID was also able to provide approximately 408,000 blankets to the International Organization for Migration for distribution to the victims of the flood.\textsuperscript{191} Most recently, toward the end of December 2010, USAID provided donated an additional $1.7 million to the Sindh province for the purpose of providing transitional shelter to 36,000 people.\textsuperscript{192}

Given the recent nature of the floods, very little can be done by way of long-term evaluation, and most analysts conclude that it is still too early to determine whether flood relief efforts have had an overall positive impact. Much like earthquake reconstruction efforts, it is then safe to say that USAID has had some measurable impact, although due to the lack of available performance benchmarks for USAID’s work in Pakistan, one cannot go any further and derive conclusions about whether this impact was as much as was originally intended. In the short term, it is apparent that flood relief efforts have been mildly successful.

The effectiveness of USAID/Pakistan’s Health Program

In the area of health, USAID has instituted various programs such as the Pakistan Polio Eradication Initiative and the Family Advancement for Life and Health Program.\textsuperscript{193} As a result of these programs, USAID has been successful in treating 2.8 million children for diarrhea and in immunizing 1.5 million babies against diphtheria, pertussis and tetanus.\textsuperscript{194} Additionally, through the various health programs, USAID has been able to provide Vitamin A supplements to 56,000

\textsuperscript{190} Ibid., Pg 2
\textsuperscript{191} Ibid., Pg 2
\textsuperscript{192} Ibid.
\textsuperscript{193} For a complete discussion of USAID health programs and their objectives, see USAID. “USAID/Pakistan: Health, Population and Nutrition Program,” January 2011 (\url{http://www.usaid.gov/pk/sectors/health/docs/health_factsheet.pdf})
\textsuperscript{194} Ibid., Pg 2
children and healthcare services to over 50,000 internally displaced people.\textsuperscript{195} Finally, USAID has founded 80 well-baby clinics, upgraded facilities at 89 community health centers and provided 126 ambulances to rural health centers.\textsuperscript{196}

In 2009, the USAID Country Health Statistical Report on Pakistan declared the infant mortality rate had declined to 65 deaths per thousand live births from 85 deaths per thousand live births in 2000.\textsuperscript{197} The under-5 child mortality rate (as measured by UNICEF in 2007) had fallen to 90 deaths per thousand children from 108 deaths per thousand children in 2000.\textsuperscript{198} Although the contributions of the various USAID health programs are known, it is difficult to say exactly what role these immunizations and clinics have played in changing the mortality rate and it is therefore cautious to conclude that USAID health programs have had some successes in Pakistan.

However, in looking at USAID’s health program in Pakistan, one can certainly say that the program has had a number of successes, particularly with immunization of infants and the provision of community healthcare services. Despite the structural challenges to the program, the health program has been moderately successful.

**The effectiveness of USAID/Pakistan’s Economic Development and Energy Programs**

The final sector that must be evaluated in order to provide a comprehensive picture of USAID’s work in Pakistan is the energy and economic development sector. These programs are grouped together because the USAID allocation of funds describes energy as “essential to

\textsuperscript{195} Ibid.
\textsuperscript{196} Ibid.
\textsuperscript{197} Ibid.
\textsuperscript{198} Ibid.
economic growth.” Although the USAID has instituted a number of energy-related technical support and training programs in 2009 and 2010, it has not yet released any figures measuring the impact of these programs. However, under the wider economic growth program, USAID has been able to provide vocational training to 13,000 people and training in finance to 19,000 women entrepreneurs, in addition to $2.1 million in micro-grants to households affected by the floods and $5.2 million in grants to Swat hotels and fisheries for post-conflict reconstruction.

As with other USAID programs, there are no targets available to facilitate an analysis of whether the results match up to the targets. However, although the Pakistani government continues to struggle to maintain its competitiveness vis-à-vis other South Asian countries, it is again safe to conclude that economic growth programs have seen some successes.

The Heritage Foundation’s 2011 Economic Freedom Index ranks Pakistan as the “123rd freest” country. The Foundation’s ranking does not dwell extensively on the relationship between US aid and economic freedom in Pakistan, but does note that as “one of the largest U.S. aid recipients,” Pakistan has been able to benefit “somewhat” since it has “opened…to international trade and has privatized some state-run industries.” The Foundation concludes, however, that in the case of Pakistan,

Progress lags significantly behind other countries in the region. The tax system is complex and inefficient, though reforms to cut tax rates, broaden the tax base and increase transparency have been undertaken. The judicial system suffers from a

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201 Easterly, “Can Foreign Aid Buy Growth?”
202 The Heritage Foundation. “Pakistan Information on Economic Freedom: Facts, Data, Analysis, Charts and More.” The Heritage Foundation (http://www.heritage.org/index/country/Pakistan), Pg 1
203 Ibid., Pg 1
serious backlog and poor security. Corruption taints the judiciary and civil services. Restrictions on foreign investment and state involvement in the economy are serious drags on economic dynamism.\textsuperscript{204}

In attempting to sketch an overall picture of the effectiveness of US development assistance to Pakistan, it is evident that aid provided after September 11 has seen some successes in the form of tangible, measurable outputs. The sectors of education, earthquake reconstruction and health have had moderate successes, whereas the areas of good governance, economic growth and humanitarian assistance have not been as successful. However, as Wren Elhai from the Center for Global Development notes, “absence of evidence is not [necessarily] evidence of absence.”\textsuperscript{205} By most accounts, USAID’s biggest obstacle so far has been its inability to collect the required data to measure progress, rather than any overall inability to make progress.\textsuperscript{206} It is difficult to determine the degree of any successes owing to the lack of published performance targets for programs in each sector. It is also difficult to provide a more complete numerical sense of successes and failures, owing to the inability to measure the impact of structural problems like corruption and a lack of accountability on US aid efforts across the various sectors. However, the evaluation in this chapter has established that US aid to Pakistan has been moderately successful in achieving development objectives. Despite the absence of data on the degree of failure or success, the next chapter will aim to provide a more complete picture of the challenges USAID faces through the examination of various case studies.

\textsuperscript{204} Ibid., Pg 1
\textsuperscript{205} Elhai, Wren. “For U.S. Aid in Pakistan, Absence of Evidence is Not Evidence of Absence,” Center for Global Development, Rethinking U.S. Foreign Assistance Blog, 11 February 2011
\textsuperscript{206} See, for example, ibid.
CHAPTER FOUR

WHAT HAS HINDERED THE EFFECTIVENESS OF US AID TO PAKISTAN?

Although it is difficult to provide a comprehensive numerical list of the failures of US aid in Pakistan, it is nonetheless instructive and significantly more feasible to undertake this task by beginning with an examination of a few case studies detailing the work of USAID. Such an undertaking will better help to understand the challenges to aid as a tool of foreign policy. This section will therefore begin with two case studies relating to the work of the USAID in Pakistan, namely that of the Academy for Education Development, a US-based development firm that was previously one of USAID’s biggest contractors for education services, and The Citizens Foundation, a prominent local NGO in the field of education in Pakistan, to provide a fuller discussion of the problems that USAID encounters in the course of its work with both contracting firms and local NGOs. The chapter will then outline various problems in the distribution, monitoring and evaluation of aid as seen through the case studies and the broader body of literature. This chapter will argue that challenges to the effective utilization of US aid in Pakistan arise not only from the political environment within the country, but also from the structure of USAID.

Case Study 1: The Academy for Educational Development and USAID

The first case study of a USAID contractor will be that of the Academy for Educational Development (AED). In early December 2010, the USAID decided to suspend any existing contracts with AED based on evidence of “serious corporate misconduct” with regard to AED’s
work in Pakistan and Afghanistan. At the time of the suspension, AED was one of the biggest education contractors with USAID, with nearly 65 contracts and $640 million in grant agreements. However, following investigations conducted by the OIG, a report submitted to Congress toward the end of 2010 concluded that USAID would terminate its contract with AED in light of “evidence of fraud relating to the purchase of household kits obtained by AED in Pakistan’s tribal areas.” The $150 million contract with AED was also terminated for two further reasons: 1. inappropriate cooperation with vendors, as a result of which expenses were misrepresented 2. unethical hiring practices, wherein an AED employee had “hired relatives of a person hired by USAID to oversee a program.” Although corruption and money laundering are often attributed largely to the Pakistani government and to local NGOs in the literature, the case of AED indicates that this problem is not limited to Pakistan but also extends to US contracting forms working with the USAID in Pakistan. Ultimately, regardless of the origins and location of these unethical practices, activities such as bribery, embezzlement and corruption are the primary deterrent to the effectiveness of USAID’s operations.

There were several problems within AED that led to corruption charges and the eventual termination of USAID’s relations with the firm, after which AED returned over $992,000 to USAID. The charges against AED resulted in the end of a 5-year-long program in Pakistan that worked on providing several services in addition to the development of the education sector,

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207 Dilanian, Ken. “U.S. Bans Contractor From Further Aid Programs,” Los Angeles Times, 8 December 2010
208 Ibid.
209 Ibid.
210 Ibid.
211 Hedgpeth, Dana and Josh Boak. “USAID Suspends District-based Nonprofit AED From Contracts Amid Investigation,” Washington Post, 8 December 2010
particularly in the areas of infrastructure and agriculture.\textsuperscript{212} Initially, the \textit{Washington Post} attributed some of the troubles within AED to the fact that a number of top management personnel had recently left the firm.\textsuperscript{213} According to an article in the Pakistani newspaper, \textit{The Express Tribune}, the then-head of AED’s operations in Pakistan allegedly fled to Russia to avoid arrest by Pakistan’s National Accountability Bureau (NAB).\textsuperscript{214}

Furthermore, as stated by the \textit{Express Tribune} article, USAID in Pakistan ordered an investigation into all corruption charges recorded against NGOs so far.\textsuperscript{215} Although a mention of this request is not substantiated by other articles in American newspapers that discuss the AED case, the information provided in the article about the particulars of AED’s involvement in Pakistan was repeated on a number of Pakistani websites. In detailing the various charges against AED, the \textit{Express Tribune} article mentions the firm’s involvement in the FATA Uplift Aid Programme, where AED misappropriated around $150 million through the course of its involvement on a road construction project.\textsuperscript{216}

AED’s involvement in fraud and embezzlement is doubtless not a solitary case. To the contrary, this case provides a glimpse into the problems that plague a large number of firms serving as USAID contractors. For example, among other sources, the \textit{Express Tribune} states that several complaints had been registered against foreign-funded Pakistani NGOs and locally-funded NGOs, who were accused of fraud and embezzlement during the relief efforts following the 2010 floods. Additionally, in a 2009 report from Harvard’s Belfer Center, analyst Azeem

\begin{footnotesize}
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\item \textsuperscript{212} \textit{Ibid.}
\item \textsuperscript{213} \textit{Ibid.}
\item \textsuperscript{214} Gishkori, Zahid. “Alleged Misappropriation of US Aid: NAB Not to Divulge Names of NGOs Involved,” \textit{The Express Tribune}, 2 December 2010
\item \textsuperscript{215} \textit{Ibid.}
\item \textsuperscript{216} \textit{Ibid.}
\end{itemize}
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Ibrahim also noted several concerns over the manner in which USAID has utilized development funds. Azeem identified the primary reason for the misuse of funds as USAID’s high operation costs in the region, due to which most of the money allocated to development funds is spent instead on “overhead and international consultants,” while a significantly smaller portion is used on the provision of supplies and services as well as on the development of infrastructure that will directly benefit the Pakistani people.

Several conclusions can therefore be drawn from the AED case. First, although there is widespread awareness amongst the Pakistani public and aid agencies regarding the extent of corruption, cases such as those of AED are rarely subject to thorough scrutiny. Second, in spite the understanding that corruption and fraud are severely detrimental to the effectiveness of aid, these practices are ingrained in the NGO culture to the extent that they are now more of a norm than the exception, and most allegations are often not meticulously investigated. Finally, both the US government and the Pakistani government are often hesitant to provide full disclosures about the nature of allegations and the firms involved, thus making it harder for the public and the international community to hold these firms accountable. Unless both governments are willing to take the first step in the process and systematically disclose a list of firms who have been charged with corruption, it is quite likely that such practices will continue largely unchecked.

Case Study 2: The Citizens Foundation and USAID

Upon having detailed some of the problems faced by American contracting firms, it is now instructive to examine the problems faced by local NGOs working with USAID in Pakistan through the prism of a case study of The Citizens Foundation (TCF). The details within this case study...
study will come from Nadia Naviwala’s Harvard Kennedy School Policy Analysis Exercise prepared for the USAID Afghanistan/Pakistan Task Force, “Harnessing Local Capacity: U.S. Assistance and NGOs in Pakistan.”219 Naviwala’s study discusses why USAID refused to work with TCF, an established NGO in the education sector in Pakistan. Based heavily on personal interviews, the information available in the case study has not been discussed by any other sources and is entirely reliant on the author’s experience and interviews with TCF and USAID staff. Therefore, although the author’s specific claims about the problems between USAID and TCF have not been discussed specifically in any separate scholarly analysis, it is important to remember that similar claims have nonetheless been outlined previously in other case studies of problems within the development sector in Pakistan.220

Funded entirely through private donations, TCF has an annual budget of $10 million and relies primarily on contributions from Pakistanis living outside of Pakistan to sustain its annual expenditures as it works toward its mission of building a thousand schools in Pakistan.221 TCF has historically been hesitant to work with the Pakistani government and was also initially reluctant to work with USAID. However, due to the need to secure more funding to cover rising costs, it decided to turn to various international donors. Naviwala notes at the beginning of her report that TCF approached USAID with much hesitation, because it did not want “to compromise its independence,” and worried that working with USAID would be “a time suck” in

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220 See, for example, “Gender Equality and Aid Effectiveness in Pakistan: A Mapping and Situational Analysis,” Interagency Gender and Development Group, 2008
221 Ibid., Pg 26
that it would translate into a lot more effort being invested without concrete deliverable results.\textsuperscript{222}

However, upon finally having made the decision to approach USAID, TCF was confronted with the problem of having to accept new projects that USAID would propose, as it was hesitant to support programs that it did not see as directly in line with its mission.\textsuperscript{223} USAID’s initial excitement over the prospect of working with a strong local partner like TCF was also tinged with a visible reluctance to accept TCF because of the NGO’s refusal to work with the Government of Pakistan.\textsuperscript{224} To offset some of USAID’s apprehensions, in 2009, TCF submitted a proposal to USAID to build 1000 schools under a model that involved the Pakistani government. However, as Naviwala suggests, this model was still problematic because TCF’s 20-year plan did not work well with USAID’s short-term contracts, which ranged from 1 to 5 years in length.\textsuperscript{225} Ultimately, USAID rejected TCF’s proposal in 2009 on the grounds that they required an agency more willing to work with the Pakistani government.

Naviwala attributes the dissolution of the proposal to a lack of clear communication between TCF and USAID on TCF’s stance on working with the Pakistani government, but also notes ultimately that the largest problem in the case of TCF’s proposal to work with USAID was the absence of any existing framework to assist large NGOs in working with the government.\textsuperscript{226} This analysis points to another important piece of the puzzle that is missing in USAID’s current framework for working with local partners in Pakistan. Although USAID committed to working more closely with Pakistani NGOs in the last two years, there is as yet no comprehensive model

\begin{itemize}
\item \textsuperscript{222} Ibid.
\item \textsuperscript{223} Ibid., Pg 27
\item \textsuperscript{224} Ibid.
\item \textsuperscript{225} Ibid.
\item \textsuperscript{226} Ibid.
\end{itemize}
or structure that will allow for these interactions in a manner that ensures that the work and reputation of the local NGO is not diminished by association with an American-funded NGO, while the purpose of USAID’s programs are achieved.

Naviwala’s analysis of the TCF case highlights several problems that local NGOs in Pakistan face when trying to work with USAID. Pakistani-run NGOs that work effectively on a much smaller scale than TCF face the problem of having to provide “demand-driven assistance,” a complaint that arises largely out of USAID’s approach to working with local NGOs. For instance, instead of funding already-successful projects by these NGOs, USAID determines which projects the NGOs should be involved with. This is problematic because NGOs are subsequently convinced that they will no longer be able to fulfill their mission, and instead come to believe that they are merely providing a service based on the needs of the US. As one NGO worker stated during Naviwala’s interviews, “No one wants to be a distribution platform for USAID.”

Additionally, most funding from USAID to Pakistani NGOs is on a scale much larger than these NGOs are accustomed to working with. The funding also requires that the NGOs align their current projects in accordance with USAID objectives, thus causing several serious NGOs to refuse the offer of working with the USAID. With most small-scale NGOs in Pakistan that function with relatively minor budgets, it is often the case that large inflows of funding from USAID “distort an organization’s budget, support base or structure.” Subsequently, with organizations used to working on a smaller scale, receiving larger amounts of funding is

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227 Ibid., Pg 3
228 Ibid., Pg 13
229 Ibid.
detrimental to performance because they do not have the necessary staff to increase output proportionally, and the excess money often gets pocketed by the heads of these NGOs.230

Challenges to the Work of USAID in Pakistan

The numerous news media reports and scholarly analyses on the nature of corruption in Pakistan are indicative of a routine but nonetheless significant hindrance to the work of the USAID in Pakistan. Given the Pakistani NAB’s decision not to release names of NGOs suspected of involvement in fraud and corruption as per its official decision to “keep the image of ‘transparency and trust’ high...[to] lure international NGOs to help Pakistan,” it is not possible to provide any sort of comprehensive list about the various Pakistani and American NGOs working with USAID who have been accused of corruption.231 In light of the paucity of available evidence and data, although it is impossible to measure the extent to which this corruption impacts the work of the USAID, it is still safe to say that this is a systemic problem that will take years of programming and effort to fix.

Another factor leading to the ineffectiveness of development aid is the difficulty faced by USAID in distributing aid to unstable regions, particularly FATA. As an example, an examination of the Government Accountability Office’s 2010 Report to Congressional Addressees, “Combatting Terrorism: Planning and Documentation of U.S. Development Assistance in Pakistan’s Federally Administered Tribal Areas Needs to Be Improved,” notes that development assistance to Pakistan largely matches Pakistan’s human security needs, but could

230 Ibid.
231 Gishkori, “Alleged Misappropriation of US Aid”
be more useful if disbursed in accordance with some form of an implementation plan. The report also notes that in addition to the lack of implementation plans, another factor that significantly hinders the distribution of US aid is the internal security situation in FATA. For example, the GAO Report notes that

USAID, State and implementing partners noted difficulties in program implementation were caused by violence in the Western frontier region, such as militant activities and suicide bombings…[which] made program implementation a challenge in some areas and impossible in others.

The growing instability in FATA and the subsequent threat to the work of aid agencies is also evident in instances of the abduction of aid workers. One local USAID worker was kidnapped in the North West Frontier Province in 2008. The USAID office was also shut down for a month in August 2008, following threats from the Tehreek-e-Taleban Pakistan. Subsequently, the US decided to continue working on projects with government agencies in Pakistan, instead of international organizations. In 2009, around 25 USAID projects underway in FATA were also halted due to security concerns.

Due to the difficult security situation, USAID is often forced to rely on local partners instead of their own staff to implement US-funded projects. Initially, USAID was severely opposed to this reliance on local contractors, and several senior officials with the organization

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233 Ibid., Pg 26
235 “USAID Officials Shut Down Offices in Pakistan Tribal Areas After Taliban Threats,” Jang, 28 August 2008
236 “US To Involve Government Agencies in Pakistan Tribal Areas’ Development Projects,” The News, 8 January 2010
argued that working with Pakistani contractors would be detrimental to the effective implementation of aid programs unless USAID was constantly able to monitor and evaluate the work of these partners. However, due to the overwhelmingly negative public perceptions of the US in these unstable areas, an additional complication lies in the fact that it is still difficult for local NGOs working in many parts of Pakistan to reveal that they have been funded by the USAID. For instance, analyst Azeem Ibrahim’s report mentions in passing that contracting firms will often refrain from revealing that they have been funded by the United States as they deem it to “counterproductive,” but does not provide any numerical estimate of the location of these agencies, the kinds of work they do, and their percentage relative to the total number of NGOs in Pakistan.²³⁸

Within existing scholarly opinions on the effectiveness of US aid to Pakistan, there is an emerging consensus that development aid has been ineffective because of the various difficulties with measurement and monitoring. For example, a Center for Strategic and International Studies publication concluded that:

The process of building schools and opening health clinics is unlikely to produce development in any broad sense. What is more likely…is that the system of patronage used to maintain political authority will also co-opt the development funds provided to the tribal areas.²³⁹

In light of what is seen as insufficient direct monitoring by USAID, it is quite likely that there is no foolproof way to ensure that development aid is used on the high-visibility projects

²³⁸ Ibrahim, “U.S. Aid to Pakistan,” Pg 47
²³⁹ Cohen, Craig. “A Perilous Course: US Strategy and Assistance to Pakistan,” Center for Strategic and International Studies, August 2007, Pg 37
for which it was intended. Another analysis of the effectiveness of aid distributed through USAID’s current approach by expert C. Christine Fair concluded that development aid “does not constitute an investment in Pakistan.” Additionally, Dr. Robert Hathaway, the Asia Program Director for the Woodrow Wilson Center for International Scholars, argued in a 2009 statement for a Congressional investigation that aid to Pakistan remained ineffective because “economic and development programs...[have] frequently been unfocused, poorly conceived or lacking in responsible oversight.” Development aid is therefore often not seen as a real investment because so much of it is lost to corruption, mismanagement and poor standards of accountability, therefore significantly reducing the possibilities that aid will have any physical, visible impact that will change public perceptions of the US or improve the standard of living. Anecdotal evidence scattered throughout the media, confirms that the impact of aid has been minimized in the absence of thorough attempts at monitoring and evaluation.

As of 2010, the US government has approved the re-routing of all aid money through the Pakistani government, flowing through Prime Minister Yusuf Reza Gilani. A recent New York Times editorial on the relationship between foreign contractors and development aid in neighboring Afghanistan, argued that excessive dependence on foreign aid (as is the case with Afghanistan) leads to a country that “is fiscally and politically unaccountable to its people.” Although Pakistan does not face the same danger of total dependence on foreign aid to the extent that Afghanistan does, there is nonetheless reason to be concerned both about the potential

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241 Hathaway, Robert M. “U.S. Assistance to Pakistan,” United States Senate, Testimony before the Committee on Foreign Relations, Subcommittee on International Development, Foreign Assistance, Economic Affairs and International Environmental Protection, 6 December 2007, Pg 52
242 Rogin, Josh. “Pakistan Prime Minister: U.S. Aid Money Goes Through Me,” Foreign Policy, 12 April 2010
impact of excessive reliance on foreign contractors for the development of crucial, severely under-funded sectors like health and education, and about the formation of an elitist bureaucracy through a misuse of development aid funds.

**USAID’s Internal Challenges**

Within the organization, projects are often severely constrained by a shortage of funding and a lack of well-trained staff. In a recent presentation to the World Affairs Council, Ronald E. Neumann, former US Ambassador to Afghanistan, noted that the shortage of funding has led to a noticeable drop in the number of well-trained aid workers and area specialists, which in turn has caused USAID to turn heavily to private contractors.\(^{244}\) Additionally, the short-term rotations of Foreign Service officers have led to a situation where personnel are not on the ground long enough to be able to bring about any significant changes to most programs.\(^{245}\) In a 2009 testimony before the House, the Director of the Afghanistan-Pakistan Task Force at USAID, James A. Bever, noted various measures USAID had implemented in order to retain and increase civilian staff.\(^{246}\) Despite numerous recent efforts to retain and recruit civilian staff, USAID continues to face several internal organizational challenges that have proved to be a hindrance to its effective functioning.

After the 2010 floods, there was much criticism of USAID Administrator Rajiv Shah’s visit to Pakistan, which had been compounded by allegations that he supported the Jamaat-ud-

\(^{244}\) Hughes, Michael. “Ambassador Blasts U.S. Militarization of Foreign Policy and Development,” *The Huffington Post*, February 18 2011
\(^{245}\) Ibid.
\(^{246}\) Bever, James A. “Afghanistan and Pakistan: Resourcing the Civilian Surge,” Testimony before the Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs, U.S. House of Representatives, 19 May 2009
Dawa, a charitable front for the Islamic militant group Lashkar-e-Taiba. The group’s spokesman claimed that Shah had described the JuD’s work as “appreciable,” although such reports have since been denied by USAID and later by Shah at a press conference.

With the appointment of the late Richard Holbrooke as the US special representative for Pakistan and Afghanistan in 2010, the current approach to disbursement of development aid was radically modified. Holbrooke began to reject previous projects that had focused exclusively on capacity building, and decided instead to “err on the side of Pakistani engagement” by rejecting US contractors that had been working with USAID, replacing them instead with Pakistani contractors and focusing on building infrastructure instead of capacity. Subsequently, the Obama administration’s 2011 budget plan focused on a number of infrastructural projects that were intended to increase USAID’s visibility, thus increasing expenditure on infrastructure but decreasing spending on health and education. Holbrooke received much criticism, especially in a letter from Senators Kerry and Lugar, over whether decision to spend aid money on infrastructure instead of health and education was optimal for the Pakistani people. Holbrooke’s main focus in terms of projects was on the construction of larger projects, particularly for energy and water supply, in a renewed attempt to win hearts and minds.

Within USAID, there was substantial discontent over Holbrooke’s decision to rely on Pakistani firms. In a widely publicized “sensitive but unclassified” dissent memo, C. Stuart Roggio, Bill. “USAID Leader in Pakistan Supports Jamaat-ud-Dawa Front,” The Long War Journal, 26 August 2010

Ibid.

Traub, James. “Our Money in Pakistan,” Foreign Policy, 17 March 2010, Pg 2


See, for example, Dilanian, Ken. “State Dept. Rethinks How to Deliver Aid to Pakistan,” USA Today, 2 October 2009

Rogin, Josh. “Kerry and Lugar Take Sides in Holbrooke Aid Fight: The Cable,” Foreign Policy, 12 March 2011

Callison, a senior USAID economist argued that the decision to move away from US contractors and rely instead of Pakistani contractors was unsound in the short term.\(^{254}\) Callison’s criticisms of Holbrooke’s decision to rely more heavily on Pakistani NGOs were based on his dissatisfaction over the cancellation of what he saw to be existing functional contracts with American firms, and the replacement of these firms with Pakistani firms that did not meet USAID’s auditing and disclosure requirements.\(^{255}\) Ultimately, Callison argued, the quick transition from American contractors to Pakistani NGOs was detrimental to the US’s strategic objectives in the region, because it derailed existing projects and did not allow for these projects to continue with their limited successes.\(^{256}\)

Following Callison’s memo, several USAID contractors in Pakistan were “put on notice…[that they might have] to discontinue their programs.”\(^{257}\) However, USAID soon released a statement assuring the world that although there would be greater efforts to work with Pakistani firms, no existing projects with contractors would be suspended.\(^{258}\) Mission Director Bob Wilson confirmed that the increased cooperation with Pakistani partners would not come “at the expense of the important work that our [US contracting] partners are doing now.”\(^{259}\)

It is interesting to note, however, that despite Holbrooke’s attempts to increase reliance on Pakistani NGOs, of a total of $1.5 billion allocated to Pakistan during 2010, only $179.5 million was actually distributed, and even so, none of this money was spent on the high-visibility

\(^{254}\) Callison, C. Stuart. “Sensitive But Unclassified: Dissent Channel – Contradictory Objectives for the USAID/Pakistan Program,” USAID Bureau for Economic Growth, 2 October 2009, Pg 1
\(^{255}\) Ibid., Pg 2
\(^{256}\) Ibid., Pg 3
\(^{259}\) Ibid.
projects that Holbrooke advocated.\textsuperscript{260} Subsequently, a 2011 GAO memo argued that “most of the fiscal year 2010 funding has not been disbursed; therefore, the full impact of the assistance could not be determined.”\textsuperscript{261} The memo also concluded that it was possible for oversight efforts to be further enhanced.\textsuperscript{262}

On the whole, however, political commentators agreed that Holbrooke had managed to win some support from the Pakistanis through his advocacy for greater interactions with Pakistani NGOS.\textsuperscript{263} By Holbrooke’s estimation, working with Pakistani NGOs on the ground instead of American contracting firms reduced overhead costs between 15 – 30%, and allowed for more flexibility in the use of money.\textsuperscript{264} However, Callison argued that with Holbrooke’s rigid implementation of laws regulating the manner in which money from US contracting firms was used, the process of development aid service delivery was made more difficult due to inflexibility.\textsuperscript{265}

Within the US, there is often a significant amount of discontent over the existing relationship between various agencies and government departments that disburse aid money. In a recent Foreign Policy article, Raymond C. Offenheiser, President of Oxfam America, gives the example of El Salvador, where foreign aid from the United States is handled by a total of 11 US agencies, “each with different goals and sometimes conflicting priorities.”\textsuperscript{266} As the article notes, most efforts at reforming the way aid is distributed only wind up confusing the environment even

\textsuperscript{260} Rogin, Josh. “Most U.S. Aid to Pakistan Still in America’s Hands: The Cable,” Foreign Policy, March 1 2011
\textsuperscript{262} Ibid., Pg 7
\textsuperscript{263} See, for example, Rogin, Josh. “Holbrooke Wins the War...Against USAID,” Foreign Policy, 19 July 2010, Pg 1
\textsuperscript{264} Ibid.
\textsuperscript{265} Callison, C. Stuart. “Sensitive But Unclassified: Dissent Channel – Contradictory Objectives for the USAID/Pakistan Program,” USAID Bureau for Economic Growth, 2 October 2009, Pg 1
\textsuperscript{266} Offenheiser, Raymond C. “Aid Needs Help,” Foreign Policy, 30 April 2010, Pg 1
more. For instance, we see that the Foreign Assistance Act of 1961 “integrates 140 different goals and priorities and 400 directives, and is executed by at least 12 departments, 25 different agencies, and almost 60 government offices.” Ultimately, in order to avoid conflicting priorities regarding the distribution of development aid, it is important for the US to develop a comprehensive strategy.

Most recently, the difficulty between dividing up control of the aid amongst several agencies was made visible in the debate between Hillary Clinton and John Kerry, which centered around the question of whether USAID would be allowed the upper hand in directing the State Department’s humanitarian relief efforts, and what this political move would mean for the use of development aid for stated development. Since 2010, there has also been a debate between the Senate Foreign Relations Committee and the Department of state over the reform of USAID. The aid legislation following this debate proposes greater modernization of the State Department and more power for USAID. In response to the proposed budget cuts for USAID, Administrator Rajiv Shah proposed several savings, namely ridding USAID of unnecessary posts and ending development assistance to nations that no longer needed it, in addition to reforming the distribution of aid.

Another problem with USAID was that the remained demoralized and lacked direction as it waited for Obama to appoint administrator Rajiv Shah. Among several other government officials Secretary of State Hillary Clinton expressed dissatisfaction over the downsizing in

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267 Ibid., Pg 2
268 Rogin, Josh. “Clinton v. Kerry: The AID War Begins,” Foreign Policy, 14 January 2010
269 Rogin, Josh. “Congress Weighs In On Foreign-Aid Reform,” Foreign Policy, 29 January 2010
USAID since the 1970s, which now “[had] half the staff it used to have. It’s turned into more of a contracting agency than an operational agency with the ability to deliver.”²⁷² In addition to facing a number of difficulties with its operations in Pakistan, USAID has recently also been confronted with the problems of being underfunded, over-extended and without a strong leader, therefore making it harder to ensure efficient delivery of services.

**What is Wrong With US Aid? A Pakistani Perspective**

Mainstream media analyzing the role of US aid to Pakistan is often severely critical of the political agenda behind USAID’s development contributions, and frequently questions the US government’s decision to pledge aid to the Pakistani people through the Government of Pakistan, instead of the UN. Describing the USAID’s aid pledges as “far-fetched,” one article in *The Nation* argues that emergency relief assistance pledged to flood victims in 2010 was simply “a reflection of the pressure that [had been] exerted on Pakistan to jump into North Waziristan, at the cost of unfulfilled aid commitments.”²⁷³

One of the most substantial collections of allegations against “corrupt” USAID contractors is contained within a 2010 article for *Rupee News* which drew upon the research of renowned investigative journalists Farrukh Saleem and Umar Cheema. The article details numerous cases of corruption in Pakistan, such as:

[RTI International, the 16th biggest receiver of US overseas contracts], claimed in 2007 [that it had] positively impacted 400,000 Pakistani students, but the USAID’s inspector general could not validate the claims because the US mission in Islamabad reportedly didn’t require RTI to adhere to reporting requirements.

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²⁷² Dilanian, Ken. “Short-Staffed USAID Tries To Keep Pace,” *USA Today*, 1 February 2009
Additionally, a former high-ranking official at USAID, Aaron S. Williams, is a senior executive of the RTI\textsuperscript{274}

Additionally, the article notes that 92\% of all USAID contracts were given to American firms, and that there are only four instances where aid was given directly either to the Government of Pakistan or to Pakistani NGOs. These instances amounted to a total of $28.4 million in contracts out of the $1.05 billion in annual development assistance.\textsuperscript{275}

Most Pakistanis remain dissatisfied over the fact that most development assistance is somehow returned to the US, either through American NGOs or individuals in Pakistan with strong ties to the US. This concern is evident in the case of Shahid Ahmed Khan, a Pakistani-American businessman who was able to convince Senator Kerry’s office to award $500 million from the new aid package toward the construction of “a state-of-the-art medical facility” largely devoted to the political elite in Pakistan.\textsuperscript{276} The approval of Khan’s request for funding for the hospital sparked widespread dissatisfaction and outrage, particularly within USAID. For instance, Patrick Cronin, a former USAID official, was quoted in the Boston Globe as saying, “Are we building a Mayo clinic for the political elite? Who is benefiting from [this clinic]?\textsuperscript{277}

Pakistani political commentators also hold the impression that the aid package is inefficient because so much of the money is spent on services that do not reach the Pakistani people. For instance, one commentator, Moin Ansari, noted that “The [Kerry-Lugar aid] package

\textsuperscript{274} Saleem, Farrukh. “USAID to USA? 92 Per Cent of USAID Projects in Pakistan Go to US NGOs, Who Waste It,” \textit{Rupee News}, 7 August 2010
\textsuperscript{275} Ibid.
\textsuperscript{276} Stockman, Farah. “Political Ties Open Path to Pakistan Aid: Kerry Donor Got Assistance With Hospital Project,” \textit{The Boston Globe}, 20 June 2010, Pg 1
\textsuperscript{277} Ibid.
is a joke…Half the aid has to be spent in the US. A quarter is lost in administrative expenses."\textsuperscript{278} Additionally, he claimed, half of all US aid through the new package was reserved for constructing and fortifying US embassies and consulates.\textsuperscript{279} As Ansari concluded:

A breakdown of the war supplemental aid package shows that $707 million has been earmarked for economic assistance, $700 million for counterinsurgency capability fund, $896 million for the new secured US embassy and consulates in Pakistan and $46 million for enhanced diplomatic operations covering logistics for civilian staff surge and security.

From the package, Pakistan will practically receive $707 million as economic assistance and that will include $225 million announced by Washington as assistance for displaced persons.\textsuperscript{280}

These allegations over the use of development funds for purposes that were not explicitly seen as related to human development have also been backed by the Center for Public Integrity’s \textit{Daily Watchdog}, which confirms Ansari’s statistic from a USAID evaluation, stating that especially in FATA, “only 26 percent, or $7.6 million, of the $29.2 million spent in the first two years went directly to program activities. Indirect costs like labor, fringe benefits, travel and security ate up the rest.”\textsuperscript{281} In the specific case of the education sector in Pakistan, it is instructive to look at remarks made by former Education Minister Zobaida Jalal, who argued that

\textsuperscript{278} Ansari, Moin. “Pakistan Pays $1 Billion for US Embassy out of US Aid Package to Islamabad,” \textit{zimbio.com}, 12 August 2009
\textsuperscript{279} Ibid., Pg 1
\textsuperscript{280} Ansari, Moin. “Pakistan Pays $1 Billion for US Embassy out of US Aid Package to Islamabad,” \textit{zimbio.com} (from rupeenews.com), 12 August 2009
\textsuperscript{281} Adams, Laurel. “Only Quarter of Pakistan Aid Money Went Directly to Programs,” \textit{The Center for Public Integrity}, 5 January 2011
despite the vast amounts of money invested in schooling, there were no “tangible results.”\textsuperscript{282}

Taken together, there is a general impression amongst both Pakistan and American commentators that oversight of American funds to Pakistan, both military and non-military, is very lax. For instance, an article from the Center for Public Integrity published in 2007 discussed the case of the Coalition Support Funds, which it described as “a blank check for U.S. military aid…with no formal auditing mechanism to verify costs.”\textsuperscript{283}

From the various difficulties with USAID and US and Pakistani NGOs detailed above, it is apparent that one cannot always make a blanket statement about the success of development aid efforts based on USAID program evaluations alone. Although one cannot judge effectiveness to the fullest extent in the absence of targets for the USAID’s work in several areas in Pakistan, the obstacles outlined in this chapter suggest that it is highly likely that USAID will continue to be plagued by a number of internal and external challenges. Some of these challenges such as corruption and fraud are systemic and endemic, and will most likely remain common obstacles to the work of international and local NGOs in Pakistan for several years. Other challenges are specific to the structure of the USAID and its decisions about whether to approach local NGOs or work with American contracting firms. In light of the roadblocks outlined, the next chapter will provide policy recommendations to the US government, the Pakistani government, and USAID in order to improve the effectiveness of US development aid to Pakistan given the backdrop of continued US military involvement in Pakistan.

\textsuperscript{282} Gibel, Bryan. “U.S. Aid to Pakistan: The Kerry-Lugar Bill,” \textit{PBS Frontline}

\textsuperscript{283} Heller, Nathaniel, Sarah Fort and Marina Walker Guevara. “Pakistan’s $4.7 Billion “Blank Check” for U.S. Military Aid After 9/11, Funding to Country Soars With Little Oversight,” \textit{The Center for Public Integrity}, 27 March 2007, Pg 3 – 4
CHAPTER FIVE

CONCLUDING LESSONS

Despite the various efforts directed at improving the effectiveness of development aid to Pakistan, it is nonetheless evident that numerous challenges remain. Some of these challenges begin from the convoluted nature of the US-Pakistan relationship, which has furthered the politicization and militarization of development aid. Unstable security situations and the bureaucratic culture of corruption also constitute a significant roadblock to effective aid delivery. The organizational setup within USAID, particularly the lengthy chain of relationships with contracting firms and NGOs, also proves to be difficult to monitor. The final set of challenges goes back to the US’s need for Pakistan as an ally in the War on Terror, which allows for the consistent allocation of development funding despite the paucity of evidence that aid money is being used effectively, as well as incomplete monitoring and evaluation efforts. This chapter will therefore set out to provide policy recommendations to USAID, the US government and the Pakistani government in order to suggest how the $1.5 billion per year can be spent most effectively. The chapter will then summarize the challenges that lie ahead in improving the effectiveness of US development aid to Pakistan, and will provide concluding remarks. Given that USAID is the primary agency through which US government funds for development are distributed in Pakistan, it is worthwhile to begin by providing policy recommendations for the USAID.

Policy recommendations for USAID

To work effectively within Pakistan, USAID must take particular care to ensure that in arranging for new contracts with thriving local NGOs, it does not distort the mission or the work
of these NGOs. It is therefore important for USAID to approach local NGOs in Pakistan with caution in order to ensure that it does not provide more funding than an agency has the capacity to handle.\textsuperscript{284} It is also important for USAID to make certain that it works within the existing structures that have been established by successful local NGOs i.e. that it does not destroy or discard practices that have worked in the past just because these practices do not match USAID’s organizational culture or monitoring methods.\textsuperscript{285} As a policy brief released by Harvard’s Kennedy School of Government suggests, although successful NGOs might not adhere strictly to USAID’s requirements for “formality” and “professionalism,” modifying the established practices of these NGOs to confirm to “onerous requirements” or “capacity-building” can be counterproductive.\textsuperscript{286} In working with locally-funded NGOs in Pakistan, the USAID must be careful not to allocate budgets that are several times the size of these organizations’ regular budgets, and must also ensure that it does not step on the toes of successful local NGOs by discarding structures and practices that are already effective.

In allocating a budget to locally-funded NGOs, USAID must also be careful to allow these organizations to retain previous sources of funding wherever possible.\textsuperscript{287} Although this might seem like an insignificant need if USAID is able to provide a lot more funding than previous donors of an organization could, this recommendation is important because it takes into consideration the preferences of the Pakistani people and their perceptions of locally-funded NGOs vs. NGOs funded by international donors. On the whole, NGOs that are not locally-funded are largely seen as having “low organizational performance, no civil society value and material motivations,” whereas NGOs that are locally-funded are seen more as volunteer

\textsuperscript{284} Naviwala, "Harnessing Local Capacity," Pg 13
\textsuperscript{285} Ibid.
\textsuperscript{286} Ibid.
\textsuperscript{287} Ibid.
organizations but are often lauded for the visibility and excellence of their work. In order to ensure that successful local NGOs continue to perform effective services even after being awarded contracts with USAID, USAID must be careful not to change public perceptions of the effectiveness of these NGOs by changing the structure of the NGOs from locally-funded to internationally-funded.

Additionally, in order for USAID to improve the effectiveness of its operations in Pakistan independent of the partnerships with local and foreign NGOs, it is important for the agency to work toward increasing transparency. Although several program evaluations of different sectors are published with a fair amount of regularity, there is still an overall lack of transparency in USAID’s disbursement of funds and subsequent provision of information about the use of these funds. In 2007, a US Treasury official speaking on the subject admitted that “the entire process of budget support deliver – from the setting of shared objectives to efforts to monitor progress – is not transparent to public oversight.” Various subsequent OIG evaluations of USAID’s work in Pakistan, including the quarterly reports, have indicated that USAID has yet to begin to set up target indicators to measure performance effectively, despite nearly a decade of work in Pakistan.

Another structural change in USAID’s approach to development aid that would most likely be useful in increasing the effectiveness of aid is to shift the method of aid targeting. Currently, US aid to Pakistan is determined through geographic targeting i.e. USAID allocates aid to geographic areas based on various factors such as the level of human development and the

\[288\text{ Ibid., Pg 11 - 12}\]
\[289\text{ Ibrahim, “U.S. Aid to Pakistan,” Pg 5}\]
degree of involvement in the war.\textsuperscript{290} Due to the current security situation in FATA and the subsequent absence of US aid workers in the region, most US assistance to Pakistan is distributed through the geographic targeting method, which requires very little regular administrative involvement. However, GAO and USAID reports on aid programs in FATA have repeatedly noted that the lack of administrative oversight in the area directly influences the effective implementation of aid programs.

Given that the demographic targeting method (targeting the population according to age/sex) is the best strategy for ensuring aid effectiveness among youth,\textsuperscript{291} it would be advisable for USAID to shift from geographic targeting to an assistance strategy that incorporates the more administration-intensive demographic targeting framework. Although USAID might not be able to send in more American aid workers in the short term to the unstable FATA region, it could still implement this method by working closely with individuals and local groups that are already working to distribute aid in FATA. In doing so, USAID will also be able to strengthen the partnerships between US NGOs on the ground in Pakistan that have strong ties with USAID, and local individual and NGO partners.

Finally, USAID can also play a part in increasing the visibility of aid in order to ensure that aid works to win the “hearts and minds” of the Pakistani people. It is important to remember, however, that USAID’s work in Pakistan does not in any way constitute the majority of all aid efforts in Pakistan, and that USAID therefore is able to work only with a small segment of the Pakistani population. It is nonetheless also important for the USAID to do what it can in ensuring that it places an equal emphasis on public diplomacy and the achievement of development goals.


\textsuperscript{291} Coady, Grosh and Hoddinott, \textit{Targeting of Transfers in Developing Countries}, 69
when distributing foreign aid. One method of increasing the visibility of US aid efforts in the region would be to step up branding and ensure that the work of USAID is visible during outreach and reconstruction efforts. Another method of increasing visibility would be to send in more American workers to distribute the aid, so that recipients are made aware of the origins of the aid. In demonstrating that American aid workers are genuinely interested in distributing aid to the Pakistani population and not in advancing any political agenda, USAID will be able to make a difference to public perceptions and change “hearts and minds.”

Policy recommendations for the US government

It is prudent for the US government to consider a number of strategies that will clarify its intentions to the Pakistani public. Although the common perception within Pakistan is that US aid is distributed only because Pakistan is serving the US’s strategic interests, it is nonetheless important for the US to demonstrate that it is not seeking to simply buy the hearts and minds of the Pakistani people, but rather to sincerely improve the welfare of the Pakistani people. The first step in this clarification would be for the US to make all forms of funding information publicly available to the Pakistani people, in order for the people to be able to understand exactly how much assistance is being distributed and what programs this assistance is being spent on.

It is also equally important for the US to ensure that it does not send across contradictory messages to the Pakistani people through its relationship with the upper echelons of the Pakistani government. The vicious cycle of hatred for the current Pakistani leadership by the people is reinforced when the Pakistani public sees the US as supporting an otherwise-unpopular and unsustainable regime and the Pakistani government as following the orders of the US regardless of public opinion. In order to be able to bring about a change in the perceptions of the Pakistani
people and ensure the success of public diplomacy efforts through development aid, it is important for the US government to work on increasing transparency in its relationships, both with the Pakistani government and with USAID. The US government must also work on ensuring that it is not seen as willing to turn a blind eye when both the Pakistani government and USAID fail to meet established expectations or fail to define expectations within their respective relationships. The first step in these efforts will of course be an increase in transparency on the part of the US government with regard to the US-Pakistan relationship.

**Policy recommendations for the Pakistani government**

For its part, the Pakistani government must work to ensure effective partnerships between USAID, locally-funded NGOs and government initiatives in order to be able to meet the target of achieving all the Millennium Development Goals by 2015. In addition to facilitating partnerships between USAID, itself and various other sectors within the society, the government must first work to ensure that it generates enough awareness about the positive impact of USAID’s work in the region. While the Pakistani government must be careful not to be seen as pushing forward the agenda of the US through yet another corner by lauding USAID’s efforts in the field of development, it must nonetheless give praise where praise is due and seek to establish partnerships with successful small-scale USAID projects in order to ensure that the Pakistani people are able to experience and measure the impact of development work that is directed at improving human security.

The Pakistani government must also work with USAID and other international donors to establish partnerships with civil society, the media, local governments and parliaments, in addition to developing public-private partnerships to promote various development initiatives,
especially in health and education. In order to be able to establish these partnerships successfully, it is first important for the Pakistani leadership to regain the trust of the people. One way for the government to do so is to work on increasing transparency in its dealings with NGOs, but also largely with the US government. In order for the Pakistani government to be able to support smaller efforts that have been successful and replicate them on a larger scale, it must also then begin by winning the trust of various sectors of society, particularly the media and civil society, and then proceeding to work on forming various partnerships. Ultimately, these partnerships will also be beneficial to the Pakistani government in its aim of achieving the Millennium Development Goals.

**Concluding Remarks**

In addition to the various policy recommendations detailed above, it is also useful to keep in mind the various success of development aid when attempting to discuss the future. The case studies and data provided in earlier chapters are indicative of the potential for larger success, and at the very least prove that it is not impossible for US aid to be effective in Pakistan. However, as this thesis has indicated, the problem with determining the level of effectiveness of aid begins with the paucity of information on what constitutes effectiveness. USAID’s failure to develop performance indicators to measure the success of programs and the US Embassy’s failure to measure the pros and cons of the US government strategy in Pakistan are indicative of a fundamental, systemic lack of clarity and transparency in the US-Pakistan relationship.

The nature of the US-Pakistan relationship and the changes brought about by the war in Afghanistan have meant that there is very little transparency in the dealings of the two countries. As a consequence of this low level of transparency, there have also been very few independent
evaluations of the work of USAID, which has in turn possibly encouraged practices like corruption and fraud amongst partner NGOs who know of the lack of monitoring and evaluation. Furthermore, the US’s military involvement in the region has clearly had terribly negative consequences for the effects of development aid, and the Pakistani public has now largely come to think of aid as directly tied to the US government’s desire to bribe Pakistan into cooperation. As a result, it is nearly impossible for the development aid to have any use as a tool of public diplomacy. Although the building of schools and hospitals might have some positive effect on the perceptions of the US by a few Pakistanis, it is not likely that this effect will outweigh the effects of the US’s other policies in the region. Therefore, it is not possible to measure the exact extent to which development aid has been able to impact hearts and minds. It is possible, however, for development aid to have a much greater impact as a tool of public diplomacy if used wisely and visibly.

Having established the difficulty with measuring the extent to which development aid has influenced hearts and minds, it is interesting to examine whether or not development aid has served the primary purpose for which it was intended i.e. improving human security in Pakistan. Although subject to different difficulties than the previous evaluation, this evaluation is nonetheless equally complex due to the scarcity of data, especially performance indicators. The best one can then do is to establish the absolute successes of USAID in each sector, without providing a measure of what these achievements mean relative to other projects or other organizations. However, it is not enough to rely on the successes alone in determining the impact of USAID, for it is quite likely that each program has been subject to a unique set of challenges that have hindered the effectiveness of development aid. Upon examining the nature and volume
of these challenges, it is prudent to conclude that in the light of existing successes, US aid has been moderately effective at best in achieving development objectives.

Many difficulties with the measurement of effectiveness relative to established performance indicators still remain, and it is hoped that USAID and the US Embassy in Islamabad will go on to develop these indicators, which will serve as starting points for future evaluations of effectiveness of aid to Pakistan. This is not to say, however, that it is impossible to increase the effectiveness of the $7.5 billion in aid currently provided to Pakistan, and it remains for the two governments, USAID and its partner NGOs to ensure that this new aid package is instrumental in impacting human security in Pakistan.
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