



Failed state, rogue state, friend and foe

BY RICHARD GRECO

Pakistan is many things at once, and pigeonholing the place is a sure-fire recipe for disaster. Yet despite its recent embarrassment with Osama bin Laden, the country is still as important to the Central Asian power balance as ever.

Four days after United States Navy SEALs killed Osama bin Laden in his suburban villa in northeast Pakistan, Cyril Almeida, a columnist from local newspaper *Dawn*, posed the question that was surely exasperating most ordinary Pakistanis: Did the country's political, intelligence, or military institutions know that the world's most wanted man was living in their plain sight? The columnist answered the question with disturbing clarity: "If we didn't know, we are a failed state; if we did know, we are rogue state."

The reality of Pakistan, of course, is not a simple binomial. Modern Pakistan is an almost incomprehensible spectrum of domestic political, religious, and military complexity in an equally complex and changing international setting. Yet, the columnist's conclusion is not overly simplistic. Despite \$48 billion of economic and military aid from the US since 1947 and many more billions from other countries and international development agencies, Pakistan is neither stable nor at peace with itself or its neighbors. It has harbored terrorists and terrorist trainers, its scientists have sold nuclear secrets to North Korea, Libya and Iran, and its politicians have stolen billions in development aid to feed its own machines of corruption. Nonetheless, given its own nuclear weapons capability, its unstable domestic politics, and its shared borders with a fragile Afghanistan, a nuclear-armed India, an energy-rich Iran, and an increasingly powerful China, Pakistan represents one of the most important but most difficult foreign policy challenges for the US.

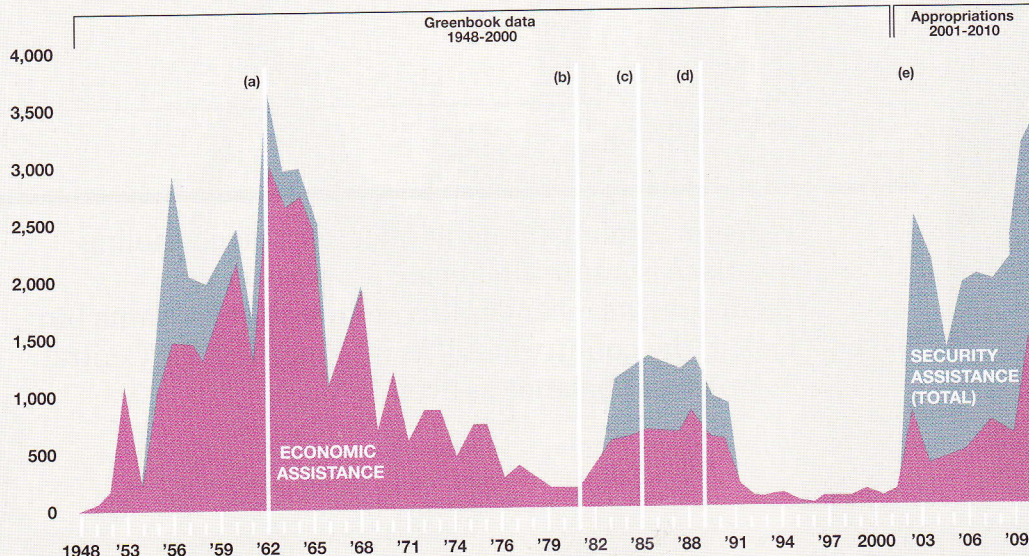
Since Pakistan's independence from British India in 1947, the bilateral relationship between the US and Pakistan has been volatile. In the 1950s and 1960s Pak-

Marooned flood victims looking to escape grab the side bars of a hovering Army helicopter which arrived to distribute food supplies Pakistan's Punjab province, August 7, 2010.



ADREES LATIF / REUTERS

US AID TO PAKISTAN (IN MILLIONS OF CONSTANT USD)



Figures

1948-2000 = obligations

2001-2010 = appropriations

- (a) 1962 Peak aid, Pakistan aligned with West; signed two defense pacts
- (b) 1981 Reagan administration negotiated five-year \$3.2 million security economic aid package with Pakistan
- (c) 1985 Pressler Amendment Reagan and George H.W. Bush certified Pakistan to get aid until 1990
- (d) 1989 Soviet Army withdrew from Afghanistan. George H.W. Bush suspended aid in 1990 because of Pakistan's nuclear activities. Aid lowest in 1990s
- (e) Post 9/11 aid to Pakistan

Source: US overseas Loans and Grants (Greenbook), US Agency for International Development. The Department of State's Congressional Budget Justifications. FY2002-FY2012 and CRS calculations

istan was the darling of the West while its nemesis India was allied with the Soviet Union. Western aid poured into Pakistan, helping it to become one of the fastest growing emerging economies of the era. But in the aftermath of the Indo-Pakistani War of 1965 (which the US thought was Pakistan's fault) and in the early 1970s when it was discovered that Pakistan had secretly developed a uranium enrichment program, the romance—and money—ended for a decade. Soon after the Soviet Union invaded Afghanistan in 1979 the US renewed its interest in Pakistan and passed a five-year economic and security aid package encouraging Pakistan to play a key role in arming and training freedom fighters in Afghanistan. But once the Soviets withdrew from Afghanistan in 1989 and more Pakistani nuclear testing was discovered, aid also ended, again for a decade. Then after September 11, 2001 when the Global War on Terrorism focused world attention on Afghanistan and the terrorist training camps along the Pakistani-Afghan border, aid once again resumed as the United States sought Pakistan's cooperation. Although the intimate links between Pakistan's intelligence service and Islamist extremists actually helped fuel terrorism in the 1990s, Pakistan's strategic location and ultimate decision to turn against the Taliban made it a key—albeit unsure—ally in the war on terrorism in the 2000s. During the past ten years alone, US aid to Pakistan has totaled more than \$20 billion, making Pakistan the fifth largest recipient of US aid.

This checkered history reveals a reality that the relationship between the US and Pakistan has largely

been based on a temporary convergence of interests rather than on shared fundamental values supportive of a long-term strategic vision. The relationship worked because when the US genuinely depended on Pakistan's intelligence service and military to achieve certain tactical objectives, these very institutions genuinely depended on the US for monetary aid. Leaders in both the US and Pakistan always hoped that Pakistan would become a model modern, progressive, and dynamic state espousing shared goals of freedom, education, economic prosperity, and peace. But these aspirations were largely hidden in the background and not the driver of either policy or aid—until possibly now.

The US has a real opportunity and responsibility to take a step back and contemplate a viable, long-term strategic framework with Pakistan. The perfectly executed mission that eliminated Osama bin Laden in Pakistani territory without Pakistan's knowledge or assistance demonstrated that the US no longer depends on Pakistani institutions to achieve certain objectives even within Pakistan's own borders. It plainly—if not painfully—suggested to both US lawmakers and to Pakistani leaders that vast amounts of military aid and technology to Pakistan may no longer be necessary. US domestic budgetary pressure and high levels of anti-American sentiment in Pakistan, not to mention the embarrassment that the Pakistani military surely feels, strengthen this sentiment. However strong the temptation to cut aid to Pakistan may be, it comes exactly at the time when the strategic importance of Pakistan to the US is high, for the simple reason that Pakistan is key

to preserving the long-term gains in one of our largest and most strategic global investments of blood and treasure – Afghanistan.

Over the period of withdrawal from Afghanistan, beginning now until 2014 – and well beyond that – it will be necessary to continue to work with Pakistan and other neighbors of Afghanistan to ensure that Afghanistan remains a secure, secular government that denies safe haven to Islamic extremists. It is not always obvious that making peace in Afghanistan is also in Pakistan's interest, for Pakistanis fear (not irrationally) that a cease-fire in Afghanistan may turn the attention of Taliban fighters in the border region to destabilizing Pakistan itself. The Pakistani position on Afghanistan may also be influenced by China's vision of the region post-war and by China's plentiful dollars. With its massive direct investment in minerals and other valuable natural resources in Afghanistan, China may offer itself as a regional alternative to US influence – and aid – out of a genuine but unreliable self-interest. Russia, Iran, Iraq, and Saudi Arabia all have their own concerns about the final settlement in Afghanistan and, if unhappy, may fall into the old habit of supporting rival factions across ancient ethnic and sectarian fault lines, some of which also run through Pakistan. We will need Pakistan's active cooperation to ensure none of this happens because it is not Pakistan's or the US's long-term interests.

With the balance of the relationship undeniably tipped in favor of the US as a result of Osama bin Laden's killing, the United States should not reduce the total aid it gives to Pakistan – as recently announced – but consider keeping it at least the same and tying it to a genuine long-term strategic and tactical framework. As a tool, the US may consider offering Pakistan a multi-year package (such as during the 1980s) starting at a low guaranteed base amount with significant positive incentives for certain positive behaviors consistent with the framework. Long-term strategic interests include Asian sub-continental peace, nuclear non-proliferation, eradication of terrorism, and governance through democratic institutions. Tactical milestones include cooperation to permanently end the use of Pakistani territory as a base for terrorist attacks on Kash-



MIAN KURSHIED / REUTERS

mir and Afghanistan, political reforms that see a reduced role for the military and a strengthening of civilian institutions, educational reform that establishes non-religious schools open to all Pakistanis, a better tax collection system to gradually lessen both military and civilian dependence on aid, privatization, improved healthcare and more economic opportunities especially in ethnic Afghan Pashtun areas. These types of changes would foster the growth of a secular middle class that would demand greater political participation and regional stability.

The US-Pakistan relationship has been largely based on foreign aid. But with the right policy and financial carrots and sticks, now made both more effective by the killing of Osama bin Laden yet more necessary as we withdraw from Afghanistan, the relationship can begin to take on the consistent strategic structure that it deserves. This framework – and the targeted aid that accompanies it – may make the difference between a Pakistan that is a failed or a rogue state and one that can play a vital strategic role consistent with the long-term interests of the United States.

A Pakistani soldier guards as people displaced by fighting wait for handouts at a distribution center in Satta, a town in Kurram Agency located in Pakistan's Federally Administered Tribal Areas (FATA) along the Afghanistan border.

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