PREFACE

With the end of rivalry between the United States and the Soviet Union, which lasted from 1945 to 1991, the world entered a period of American hegemony. The truth, that there is a need for American leadership without which no major decisions can be successfully achieved, has been acknowledged by the international leaders.

The theme of this study is to understand American foreign policy decisions and actions which are expressed through its aid and assistance programs, with emphasis on foreign economic and military assistance to Egypt in the Middle East region, and Pakistan in the South Asia region, from 1994 to 2006.

As outlined by several official documents of the United States government, economic and military assistance is an integral part of the United States peacetime engagement strategy. It contributes towards attaining American national security objectives. Since the Second World War, the United States has provided the two countries with trillions of dollars of aid and assistance and trade subsidies. This aid is continuous and forms a substantial part of United States foreign policy decision making.

There are five major categories of foreign assistance: bilateral development assistance, economic assistance supporting US political and security goals, humanitarian assistance, multi- lateral economic contribution and military assistance. The focus of this study is primarily the economic and defense assistance that the United States has provided over the years to Egypt and Pakistan. Structurally, the US Agency for International Development (USAID) manages the bulk of bilateral economic assistance; the Treasury Department handles most multilateral aid; and the Department of Defense (DOD) and the State Department administer military and other security-related programs. The Millennium Challenge Corporation is a new foreign aid agency created in 2004. While the US helped in creating the IMF and the World Bank as permanent global institutions, the Congress helped in establishing the Economic Support Fund (ESF) to promote
economic and political stability in strategically important regions where the US was perceived to have special security interests. These funds were provided on a grant basis, their primary focus being to meet the US political and security interests.

The principal components of the military assistance programs are Foreign Military Sales (FMS), Foreign Military Financing (FMF), International Training Programs, and transfers of Excess Defense Articles (EDA). The military assistance programs are put together to facilitate friends and allies to acquire American equipment, services, and training for their legitimate self-defense and for participation in multinational security efforts. By enhancing the capabilities of its friends and allies to address conflicts, America is strengthening deterrence, encouraging defense responsibility sharing among allies and friends and increasing interface between coalition partners through the transfer of defense equipment and training. This strengthens the ability of the partners to fight alongside American forces in coalition efforts. Therefore, when American involvement becomes necessary, these programs help to ensure that foreign militaries can work more efficiently. Military assistance efforts thus, support the primary foreign policy goals of safeguarding American security.

The United States has paid particular attention to Egypt and Pakistan as allies and friends. It hopes to enhance the alliance so that they are able to provide the modern leadership that is required to wean away the Middle East as well as South Asia from radical religious politics and the growing threat of fundamentalism that supports and encourages terrorism. Egypt and Pakistan receive the largest percentage of assistance from the United States after Israel. The primary objective of the United States in providing Egypt with assistance is to capitalize on the Egyptian leadership to provide stability in the region. Pakistan, on the other hand, shares a ‘special relationship’ with America. For America, Pakistan is important not just for its strategic location but also because it has been a trusted friend. America wants to establish a relation with Pakistan based on a foundation of shared values of democracy, human rights and justice for all and thus is supportive of any steps taken by the country to achieve democracy and stability.
The United States has a number of strategic concerns in the two regions, ranging from support to the state of Israel, the peace processes, encouraging Egypt to become a model for other states in the region to follow, encouraging any steps taken by Pakistan to build a democratic government and vibrant civil society, the protection of vital petroleum supplies and the fight against terrorism. The attacks on American on 11 September 2001 have renewed a sense of urgency in continuing the policy of working with Egypt, Jordan, Turkey and Pakistan to fight against the threat of radical Islamic movements and organizations.

The present study is a modest attempt to examine the relations between America and Egypt and Pakistan. It endeavors to analyze the significance, failures and achievements, of the continuation of foreign aid and assistance as a tool of foreign policy for the United States in the region. The focus of the study has been towards understanding how far the United States has been able to achieve the proposed goals of its foreign policy for the two countries and what are the domestic influences that have an impact on the formation of an assistance policy.

The first chapter titled United States Foreign Assistance Policy: A Summary of its Policy towards Egypt and Pakistan is introductory in nature. It introduces the various stages and processes of policy making in America with regard to its assistance policies. It describes America’s interest in the Middle East and South Asia and the specific American interests in the states of Egypt and Pakistan.

The second chapter titled United States Relations with Egypt: Continuity and Change examines the relationship between Egypt and America. It attempts to analyze the impact of the foreign assistance that has been given to Egypt and the relation that the two countries share with each other.

The third chapter titled United States Relations with Pakistan: A Friend and an Ally examines the importance of the role of American assistance to Pakistan. It attempts to
study the turbulent relation that is shared by the two countries and the reasons for American continuous support to Pakistan.

The fourth chapter titled Institutional Dynamics of American Assistance Policy deals with the Congressional perspective on the various aspects of foreign assistance to Egypt and Pakistan. It examines the importance of the role of the President and the various executive departments in formulating foreign assistance policies and analyses the conditions which have necessitated this assistance to be continued.

The fifth chapter attempts to draw the Conclusions based on the study.