Chapter Four:

Institutional Dynamics of American Assistance Policy.
The end of the Cold War meant, as the sole superpower in the international arena, American foreign policy objectives would change from what they were during the Cold War period. From the two major considerations of: first, strengthening anti-communist regimes throughout the world to tip the balance in favor for the democratic liberal economy states and second of helping emerging nation states it hoped would become allies in this endeavor, the United States foreign assistance policy was subject to reconsideration of national security, economic development, issues of human rights and the process of democratization as promoted by the United States among others. The conduct of United States foreign policy was now focused on not just from the variety of pressures that arose from overseas but also from within. Under these circumstances, American foreign assistance policy advanced the American agenda differently. While there were continuities in the assistance policy towards Egypt and Pakistan there were nonetheless, dramatic shifts of opinion inside the United States government on the level and duration of these programs.

As policy formulation in the United States is the responsibility of both the executive and the legislative due to the operation of the key principles of separation of power and checks and balances, the American foreign assistance policy too needs to be analyzed from the context of the foreign policy institutions. The United States Constitution divides foreign policy powers between the President and the Congress so that both share in the making of foreign policy. The executive and legislative branches each play important roles that are different but also often overlap. Both branches have continuing opportunities to initiate and change foreign policy, and the interaction between them continues indefinitely throughout the life of a policy. The practice indicates that making foreign policy is a complex process, and that the support of both branches is required for a strong and effective United States foreign policy. (Grimmett, Department of State: 1999: website).

The wide acknowledgment of the stellar role played by the United States Congress and the various interest groups in the foreign policy of America provokes a careful scrutiny of
the same in order to understand United States assistance policy to Egypt and Pakistan. It is the contention of this chapter that in order to assess the outcome of assistance policy, it is first necessary to locate them institutionally and second find linkages that explain the scope and nature of the policy. Furthermore, this chapter also highlights the assertiveness of the Congress vis-à-vis the Presidency after 9/11 as a departure from earlier times and identifies some of the factors that have caused such a change. The main focus of this chapter is thus, not only, on the dynamic nature of the relationship between the Congress and the President in foreign assistance policy formulation, but also on defining the determinants of influence that change the policy purpose itself. In this regard, it would be well to start the discussion by elaborating briefly on the foreign policy roles of the two in order to provide a contextual; background to the main query on assistance policy.

**Foreign Policy Roles of the President and Congress**

American policy involves both the executive and the legislature. They have different roles to play but neither can function without the help of the other. The famous principle of 'checks and balance of power' explains that the American foreign policy is not the responsibility of just one branch, but requires the approval of these two main institutions. The Constitution divides the foreign policy powers between the President and Congress but not in a definitive manner. According to Edward S. Corwin (as quoted in Foreign Policy Roles of the President and Congress by Richard F. Grimmett, Department of State: 1999: website)

"What the Constitution does, and all that it does, is to confer on the President certain powers capable of affecting our foreign relations, and certain other powers of the same general kind on the Senate, and still other such powers on Congress; but which of these organs shall have the decisive and final voice in determining the course of the American nation is left for events to resolve."

Thus, almost all studies of United States foreign policy begin with the analysis of the relationship of the policy with the Congress. However, scholarly attention to the unique

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role played by the Congress has been somewhat tardy. (Weisberg & Patterson 1998: 248). As is well known, the United States constitution did not endorse the supremacy of one branch of the state over the other in the arena of policy making. It is a mosaic of distribution of power with each having powers distinct to each branch, as well as shared responsibility. Importantly, the makers of the constitution were of the view that foreign policy especially, was too important to be left to just one branch. Thus, the role designed for the Congress in the formation of United States foreign policy was distinct yet in contrast to the role played by the President. While the constitutional structure- the executive branch headed by a single individual- the president- was given more importance than the Congress in making foreign policy decisions, it did not undermine the importance of the legislative branch. The United States leaders leaned towards the Congress to act as a crucial hedge against potential abuse of executive power. Thus, they made possible Congressional activism in foreign policy and maintained it as part of the separation of power or the checks and balances system. Besides keeping a check on the powers of the President, such activism provided the Congress the opportunity to approach the public and for the public to have access to be heard. It encouraged open debates and discussions. Many point to an array of Congressional influences that are visible in matters that are routine yet very significant. These include the details of foreign assistance both economic and military, humanitarian assistance and international trade. Yet it must be noted that legislative activism has a downside as well. For instance, the struggles over differences on policy matters between the legislative and the executive branch often lead to policy deadlocks and delays decision making. It has to be kept in mind that the Congress’s role in foreign policy matters is not restricted to the passing of laws. The Congress uses three major indirect routes to influence foreign policy; one is to engage in behavior that will result in predictable behavior in the executive branch. A second is the passing of the procedural laws and the third involves the Congress to try to frame public opinion. (Weisberg & Patterson 1998: 250). Thus its role is vital to the formation of any policy. It must be also noted that it holds the ‘power of the purse’ or authority over sanction of budget requests.
In a special report the Congressional Research Service indicated that the making of foreign policy is a complex process and the support of both branches is required for a strong and effective United States foreign policy. It went on to state that, the President or the executive branch can make foreign policy through, responses to foreign events, proposals for legislation, negotiation of international agreements, policy statements, policy implementation and independent action. In nearly all of these circumstances, Congress can either support the President's approach or seek to change it, by amendments or by reforms. In the case of independent Presidential action, it may be very difficult to change policy in the short term; in the case of a legislative proposal by the executive branch or treaties and international agreements submitted to the Senate or Congress for approval, Congress has a decisive voice. In most cases Congress supports the President, but it often makes significant modifications in his initiatives in the process of approving them. Congress can make foreign policy through: resolutions and policy statements, legislative directives, legislative pressure, legislative restrictions/funding denials, informal advice and congressional oversight. In these circumstances, the executive branch can either support or seek to change congressional policies as it interprets and carries out legislative directives and restrictions, and decides when and whether to adopt proposals and advice. (Grimmett, Department of State 1999: website). The report also points that within the bureaucracy, along with the president, the most important departments that are involved in the making of American foreign policy especially its assistance policy are the Department of State and the Department of Defense.

Scholars and policy makers have tried for years to determine which branch of the government has more importance over the issue of determining foreign policy. While some feel that the president has a more important role, others feel because the Congress has control over all monetary aspects, it is the deciding institution. The question remains a difficult one to answer. First, United States foreign policy is not created in a vacuum as some sort of indivisible whole with a single grand design. Rather, making foreign policy is a prolonged process involving many actors and comprising dozens of individual policies toward different countries, regions, and functional problems. Second, the complex process of determining foreign policy makes it difficult to decide who should be
credited with initiating or altering any particular foreign policy. The two branches constantly interact and influence each other. Under these circumstances, it is difficult to trace an idea back to its origin, determine when a proposal actually influences policy, and decide when a modification creates a new policy. (Baldwin:1966). Third, the roles and relative influence of the two branches in making foreign policy differ from time to time according to such factors as the personalities of the President, and Members of Congress and the degree of consensus on policy. During the initial years of the Cold War, Congress was at the height of its power, but with the Reagan and Bush Sr. administrations the pendulum swung back toward Presidential dominance, reaching its height in 1991 during Operation Desert Storm against Iraq. In the post-Persian Gulf war (1991) era, both President and the Congress were confronted with issues in foreign policy that may well define which branch of government plays the dominant role during the first decade of the twenty-first century. (Grimmett, Department of State 1999:website).

The role of Congress in foreign policy is a major public issue today; it is also one of the thorniest subjects for the political scientist to consider. From the sixties several scholars including David Truman, a prominent political scientist noted the importance of the question of “how the Congress does and should fit into the political scheme of things in the mid-twentieth century,” while others have pointed to the executive-legislative relations as “the Achilles’ heel of United States foreign policy.” (Baldwin 1966:754). For many years a perception existed that the executive branch usually initiated foreign policy with the implication that this relegated Congress to an inconsequential role. Writing as far back as 1950 Robert Dahl, the noted professor of Political Science at Yale University, wrote,

"Perhaps the single most important fact about Congress and its role in foreign policy, therefore, is that it rarely provides the initiative. Most often initiative springs from the executive-administrative branch." (Simone 2000: 5).

However, these perceptions and analyses actually began changing during the period of the Cold War. This changing quality of the role played by the Congress became noticeable as the Cold War drew to a close. The aftermath of the Cold War was very
different from the aftermath of the two world wars. The Cold War had shaped American foreign policy but with the end of the Cold War the set of paradigms or themes that unified and determined the American foreign policy were no longer available to the foreign policy advisors and decision makers. America’s role in the international system was no longer defined by a single existential threat. American primacy was unprecedented and uncontested. The collapse of the Soviet Union led to a major rethinking of the of one of the goals of American foreign policy in more than forty years, namely the containment of Soviet Union and the threat emanating out of communism. The demise of the Soviet Union fuelled the domestic debate over the new goals of American foreign policy, and how it should face the rising powers of Asia like China and India. The erosion of American’s economic competitiveness at the international scale along with the continuing strength of the economies of the East and South East Asia and the economic unification of Europe seemed to threaten America’s power. As James Lindsay, an expert on American politics points out, “the choices that America makes with regards to the foreign policy issues will determine the role that she will play in world affairs in the next few years.” (Ripley & Lindsay 1993: 3). The view of the policymakers and the experts was that the nation no longer needed to devote the same level of resources to military defense. A new strategy that balanced the military and the other instruments of national power had to be devised. It was also realized that the patterns of engagement that had shaped American foreign policy especially its policies regarding military security would not suffice for the future. Further, the policies needed to rigorously be measured against competing domestic requirements and possibilities. (Brand 1992: 6). It was recognized that there must be new and compelling reasons for the engagement of the American people in the outside world. The Decade of the nineties thus witnessed the debate between the American right (mostly republican) and the liberals (basically the democrats) on America’s purpose and its long term strategy. But by the end of the nineties the rise of violent extremism had become the center of American foreign policy.

The attacks on the World Trade Center and the Pentagon on September 11 2001 forced America to confront the menace of terrorism. In trying to find the answers the Americans have realized that they affect the lives of others in an increasingly interconnected global
world. While globalization shortened the distances between economies of the world and created new opportunities for economic growth and development. It led to an exchange of ideas, providing a drive to promote political freedoms. However, globalization is also being used by the terrorists to secure for themselves weapons and technologies of mass destruction and also financial strength to harm the United States and her allies throughout the world. As a result, today instability in any part of the world is not isolated in its impact; it transmits shock waves throughout the interconnected global world. The United States became aware that if it did not want to engage with the world, the world will engage with it through ways and means that it may not find acceptable. The attacks brought into focus the defense and foreign policies of America. Americans were finding that they needed to rethink their foreign policy. In such a dangerous world, a renewed focus on foreign assistance policy as part of the America's foreign policy as well as national security policy became significant. According to the assessments by both the Departments of States and Defense American policy in the Middle East as well as in South Asia needed to be linked with over all development rather than just security assistance. The foreign assistance policy, in particular, became part of the overall National Security Strategy (NSS)\(^2\), to meet the new challenges of global terrorism, proliferation of Weapons of Mass Destruction and rogue states. As part of this new policy context, the Congress too began to energetically scrutinize the purpose and scope of American assistance programs.

The American Congress is arguably the most powerful legislature in the world. It possesses four characteristics that combine to make it unique.

- It is the single most important institution for determining the substance of the American public opinion.
- It serves as a forum for the expression of genuine disagreements over policies.
- Its members are chosen by routinely recurring free, honest, competitive elections.
- Vigorous national print and electronic media subject the institution and its members to constant scrutiny. (Ripley 1988:3)

\(^2\) The National Security Strategy of the United States of America is a document prepared periodically by the executive branch of the government of the United States for Congress which outlines the major national security concerns of the United States and how the administration plans to deal with them.
The Congress shares its policy making powers principally with the executive branch. The interaction between the two branches is responsible for the detailed decisions about what specific polices to pursue (Ripley 1988: 5). Every year Members of Congress introduce large numbers of simple or concurrent resolutions stating the sense of the House, Senate, or Congress on foreign policy, and many such resolutions are adopted. Like Presidential policy statements, they express the policy of a single branch of government, but their effect is often weaker because Congress does not execute policy. (Grimmett Department of State 1999:website). What must be stressed on speaking about the Congress is that it is not monolithical in its views and only sometimes acts as a unitary body. When one alludes to the Congress one is in fact speaking of the actions by one of the houses of the Congress or a few strongly insistent members.

The power of the Congress to authorize expenditures and to allocate funds for the operation and programs of the government remains one of its most potent instruments for shaping both foreign and domestic policy. The legislative prerogative in the foreign affairs is the "power of the purse" or the congressional control over expenditure of funds for governmental programs both at home and abroad. This is most important in an era when the implementation of almost all foreign policy requires the commitment of money, there is an inseparable constitutional necessity for the executive to go to the Congress to get the necessary funding (Holbom 1996: 5). Congress has been most visible in its foreign policy role when it has placed legislation prohibitions or other limitations on the President's freedom of action in foreign affairs. Often these measures have been amendments to legislation authorizing or appropriating funds that the President was unlikely to veto. The use of funding restrictions or denials by Congress is a classic illustration of the "power of the purse" under the Constitution. Unlike other legislative action by Congress, its use is not subject to serious challenge by the President as an unconstitutional infringement on the President's foreign policy powers. Major legislative-executive confrontations have occurred when such restrictions have been passed despite the opposition of the President. (Grimmett Department of State 1999:website). It is within the power of the Congress to determine the course of American diplomacy by virtue of its
control over the expenditure of the federal government. In order to legislate wisely and
effectively the lawmakers must acquire information relating to the conditions and
problems that are being faced by America at home and abroad. Towards this end the
Congressional Research Service plays a vital role.

It has to be kept in mind that while the Congress has a role in the development of foreign
policy, domestic factors also plays an important role for the legislator. It is on the basis of
this information that the legislators are better prepared to evaluate alternative courses of
action that may be available to the federal government for responding to the problems
both inside and outside of the United States. In addition to having the power to
investigate, the Congress has the power to evaluate existing programs and judge its merits
as well as the performance of the officials who administer it. Congress has the
responsibility of determining if its programs are being executed as intended and if the
money that it appropriated is being spent on the purposes for which the money has been
authorized. Oversight is the method for supervising both the program and the bureaucrats
who administer it. (Ripley 1988: 23).

The Congress has become more active in foreign policy since the 1930's. The Congress
of today involves itself in an array of foreign policy issues. Some sense of the
congressional activism can be made from the fact that in the 1960 edition of the
Legislation on Foreign Relations ran a mere 519 pages, where as the 1990 edition of the
same has 5,483 pages in four volumes. Congress shapes foreign policy through regular
oversight of executive branch implementation of foreign policy. This involves such
mechanisms as hearings and investigations. In particular, hearings on annual
authorizations and appropriations of funds for executive branch agencies carrying out
foreign policy provide an opportunity for committee members to question and influence
activities and policies. (Grimmett Department of State 1999: website). Although
irreconcilables and skeptics both have dominated the debates over congressional activism
in foreign policy, neither have been able to describe the Congress’s role accurately. The
irreconcilables have grossly exaggerated the extent and effect of congressional activism.
While the Congress challenges to the White House the members are by no means in
control of United States' foreign policy. The president and his subordinates continue to lead. The skeptics on the other hand equated the passing of legislation with the ability to influence policy preferences. Yet one has seen that even when the members of Congress fail to dictate the substance of foreign policy they are able to influence indirectly. In the end the role of Congress in foreign policy is closely linked to the larger international and political environment. The Congress reflects and responds to world events, the leadership and the sense of direction provided by the president, the ability of experts and media to frame issues with clarity and to public opinion. If the presidential leadership is muffled, the public opinion apathetic and experts discordant, then the likelihood is that the Congress would echo those conditions. (Holborn 1996: 8)

In any event as the interplay of domestic factors shape the framework of policy, there is a need to assess the roles played by the various organs of the government in order to understand the salience of assistance programs in foreign policy. Thus, the following section explains the major institutions involved in the making of United States foreign assistance policy. It focuses on their role, their perceptions and their capacity to formulate and implement policies. Further the focus would, draw from official documents the clashing of congressional perceptions regarding the functions and capability of the various agencies involved in assistance programs.

**Congressional Committees and Foreign Assistance Policy**

While the Congress has considerable influence over the making of United States assistance policy as a result of its oversight powers to check and clear all programs, it is well documented that the Congress functions through the various committees that it has—whether it pertains to foreign or domestic affairs - The Senate Foreign Relations and House International Relations Committees oversee the Department of State and other foreign affairs agencies; the Armed Services Committees oversee the Defense Department. (Grimmett Department of State, 2007: website). These committees are the “little legislature” within the Congress and for long, have been arenas for much of the law making work that happens in the Congress. Numerous congressional authorization
committees and appropriations subcommittees maintain primary responsibility for United States foreign assistance. Several committees have responsibility for authorizing legislation establishing programs and policy and for conducting oversight of foreign assistance programs. In the Senate, the Committee on Foreign Relations, and in the House, Committee on Foreign Affairs (known as the Committee on International Relations from 1995 until 2007), have primary jurisdiction over bilateral development assistance, Economic Security Fund and other economic security assistance, military assistance, and international organizations. Foreign assistance appropriations are provided entirely through subcommittees of the Appropriations panel in both the House and Senate. Nearly all foreign assistance funds fall under the jurisdiction of the Foreign Operations Subcommittees, except the food assistance which is appropriated by the Agricultural Sub Committee. (Tarnoff and Nowels 2004: 27). Both the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations have a very long and rich history. The Foreign Affairs Committee dates its roots to 1775 and its existence as a standing committee of the House since 1822, while the Senate Foreign Relations committee was established in 1816 when standing committees were first established in the Senate. The Foreign Relations Committee has been identified as the 'ranking' committee in the Senate and the Congress because it was the first committee identified in the resolution establishing standing committees in the Congress of the United States. (Ripley & Lindsay 1993: 115).

Both have different roles and reputations within the Congress. The Senate Foreign Relations Committee is seen as the more powerful and prestigious of the two because of its dual involvement in both the legislature and executive affairs of the state. The committee has the responsibility to review all treaties and foreign policy nominations and thus has more authority than most of the other committees of the Congress. According to the United States Senate Committee on Foreign Relations website, “This committee is responsible for overseeing the foreign policy agencies of the United States government, including the State Department, the United States Agency for International Development, the Millennium Challenge Corporation, and the Peace Corps. The Committee reviews and considers all diplomatic nominations and international treaties, as well as legislation
relating to United States foreign policy. (The United States, Senate Committee on Foreign Relations N.D: website). In contrast, the House Foreign Affairs Committee has traditionally portrayed itself as a shadow of the Senate committee even though it has an extensive jurisdiction over oversight matters. The Full Committee is responsible for oversight and legislation relating to: foreign assistance (including development assistance, Millennium Challenge Corporation, the Millennium Challenge Account, security assistance); the Peace Corps; national security developments affecting foreign policy, the United States Agency for International Development; the Foreign Assistance Act and all other matters not specifically assigned to a subcommittee. (The United States House Committee on Foreign Affairs N.D: website). Both the House and Senate committees have various subcommittees which are either issue based like International Economic Policy and Trade, and International Operations and Human Rights or region based like the various sub-committees on Near East, Africa Asia and Europe. These subcommittees have their own jurisdiction and staff and conduct their own research to help the full committees

Though both the committees deal with foreign assistance policy, the two panels oversee the nation's foreign policy and authorize the international affairs budget, which provides funding for the State Department and foreign assistance programs including military assistance. In recent years the Appropriations Committees of the House and Senate have become more influential in foreign policy because of the frequent failure of Congress to pass authorizing legislation for foreign assistance. As stated before, since 1980 the International Relations and Foreign Relations Committees have only once, in 1985, been able to get an overall foreign assistance authorization bill through Congress and signed into law. The reason, say congressional sources, is because it is hard to get a consensus

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3 Authorization establishes the programs or polices where as appropriation funds the authorized programs and policies. However, in both cases the bills have to be passed by the Congress and presented to the President for his approval or rejection through the veto. The Congress passes an authorization bill that establishes an agency or program and provides it with the legal authority to operate. Appropriation bills on the other hand are of three main types:

- Annual- also called the regular or general bill
- Supplemental- the bill is to address the unexpected contingencies
- Continuing appropriation bills provide temporary (or full-year) funding for those agencies whose regular appropriation has not yet been enacted by the start of that fiscal year.
on legislation dealing with a broad range of foreign assistance programs. (United States, House Foreign Affairs Committee 1996: 35). Instead what happens is that, on a case by case basis, where consensus exists, separate authorizing bills are passed. As a rule authorizing committees create programs and set over all policy guidelines and spending limits. Appropriation Committees then appropriate money in line with the parameters that the authorizing committees have set. But when there is no authorizing legislation, the appropriations committee takes a larger role in the spending decisions. (United States, House Foreign Affairs Committee 1996: 36). Independent of authorization legislation, Congress also provides its guidance for United States foreign assistance activities through earmarks and other directives dictating or limiting uses of funds included in the yearly foreign operations appropriations acts. Congress has nonetheless passed a number of acts providing new authorizations for foreign assistance programs since 1985, including the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (FREEDOM Support Act) (P.L. 102-511), the Support for East European Democracy (SEED) Act of 1989 (P.L. 101-179), the Millennium Challenge Act of 2003 (division D of P.L. 108-199), and recent Security Assistance Acts for 2002, 2000, and 1999. (Epstein and Weed 2009:3).

In recent years the House Foreign Affairs Committee has probed the expanding role of the Department of Defense in foreign assistance. In his opening remark, the chairman of the Foreign Affairs Committee Rep. Howard L. Berman of California stated that both the United States Department of State and USAID lack capacity to carry out the diplomatic and developmental functions. The hearing points out that the committee’s concern is on a fundamental question, namely is providing military assistance to a foreign country a foreign policy decision that should be the primary responsibility of civilian agencies with appropriate defense department involvement in implementation or is it a rational security mission that should be planned and carried out by the pentagon?. Clearly, there is a major review on putting a military face to developmental assistance that is being displayed by the committee. (United States Congress, HOR, Committee on Foreign Affairs 111th Congress 1st Session, 2009: 1-3).
Department of State, Department of Defense and Foreign Assistance Policy.

Within the Executive Branch, the Department of State is the leading agency for foreign affairs, and has often been termed within the cabinet as 'first among equals'. The Secretary of State is the president's foremost foreign policy advisor. This is in part because the State Department is the sole agency of the government which is charged with coordinating the entire range of American activities overseas. It is also the department that houses the Foreign Service, the professional diplomatic corp. of the United States (Kegley & Wittkopf 1996: 343). The Department continues its objectives of influencing American interests in determining a freer, more secure, and more prosperous world through its primary role in developing and implementing the President's foreign policy.

The State Department and USAID are the lead agencies that provide foreign assistance. Both are funded in the annual State Department and Foreign Operations appropriations bills. In fiscal year 2007, the State Department controlled about 64% of bilateral and multilateral assistance, while USAID accounted for approximately 20%. The remainder is managed by other independent agencies such as the Millennium Challenge Corporation, the Trade and Development Agency, and the Peace Corps. Some funds are co-managed by the State Department and USAID, such as the Economic Support Fund although major policy decisions are often retained by State. (Veillette 2007: 4-5). The principal aims of the Department of State and United States Agency for International Development (USAID) are anchored in the National Security Strategy. The strategy is based on a distinctly American internationalism that reflects the union of its values and its national interests. The aim of this strategy is to help make the world not just safer but better. (The White House 2002: 1). The strategy has three underlying and interdependent components- diplomacy, development, and defense.

In its mission statement, the Department of State outlined successfully its new focus on global terrorism, international crime, and the spread of weapons of mass destruction -
new challenges born of traditional ambitions. Confronting these threats effectively is beyond the means of any one country, and calls for principled American leadership aimed at achieving effective coalitions that magnify our efforts to respond to these critical challenges. These aims strengthen Americas traditional alliances and help it to build new relationships to achieve peace and security, but when necessary, to act alone to protect its national security (Office of the Director of United States Foreign Assistance, DoS, N.D.).

Regional instability has been a most important concern of the Department, as it fears that the escalation of conflicts would put a strain on the existing alliance of the United States. In its ‘Mission Statement’ for fiscal years 2004 to 2009, the Department of State affirmed that it wanted to create a more secure, democratic, and prosperous world for the benefit of the American people and the international community. The statement declared the, strategic objectives and goals as the Department and USAID are committed to protecting American national interests and advance peace, security, and sustainable development. The key priority areas are the Arab Israeli Peace process and democracy and economic freedom in the Muslim world (Office of the Director of Foreign Assistance, Department of State N. D. website).

Within the Department of State, the Bureau of Political-Military Affairs (PMA), headed by an assistant secretary, is the principal linkage between the Departments of State and Defense. The bureau is in charge of harmonizing various programs of the Department of State and Defense so that there is smooth functioning and the resources are utilized optimally. The Bureau offers strategy direction in the areas of international security, security assistance, military operations, post-conflict stabilization, and defense trade. The bureau is instrumental in the State and Defense Department's efforts to accomplish the goals as set out for foreign assistance - providing the Secretary with a global perspective on political-military issues; supporting the Department of Defense by negotiating basic agreements, reviewing military exercises, facilitating overseas operations, providing embedded Foreign Policy Advisors to military service branch chiefs and combatant commands worldwide; promoting regional stability by building partnership capacity and strengthening friends and allies through security assistance programs; reducing threats from conventional weapons through humanitarian de-mining and small arms destruction.
programs, setting the stage for post-conflict recovery in more than 50 nations around the world; contributing to Defense and Political-Military Policy and Planning; and regulating arms transfers and U.S. defense trade (Under Secretary for Arms Control and International Security, Bureau of Political Military Affairs, Department of State, N.D.: website).

Through the Middle East Partnership Initiative (MEPI), which was launched in April 2003, the Department has established a model of providing assistance. The initiative started by the Department promotes efforts to expand democracy in the Greater Middle East, including doubling funding to $80 million for the National Endowment for Democracy and increasing funding to $110 million for the Middle East Partnership Initiative. MEPI is at the forefront of United States efforts to advance democratic reform and vibrant, prosperous societies in the Middle East and North Africa. An integral part of United States policy, MEPI provides coordinated, tangible support and public commitment to local efforts throughout the Middle East and North Africa in the areas of women's empowerment, educational advancement, economic development, and political participation. (Under Secretary of Political Affairs, Bureau of Near Eastern Affairs, Department of State N.D.: website). The department is focusing on bringing about economic reforms and liberal democracy in the Middle East especially in Egypt, which is not just a close ally but as the moderate leader of the Muslim world, the most likely to be followed on the path of reform by the other states in the region. Since 1992, USAID has focused the Cash Transfer Program in Egypt on supporting economic reform activities to move Egypt toward a more liberal and market-oriented economy. USAID has provided funds to Egypt's government as it completed agreed-on economic reform activities. In fiscal year 2002, the Department of State and USAID conducted a review of United States economic assistance in Egypt that led USAID to renegotiate the program's terms. USAID and Egypt signed a new agreement in March 2005. (United States Government Accountability Office, 2005:1)

In its annual report on the 'Patterns of Global Terrorism' (2003) the State Department expressed that the Middle East continued to be the region of greatest concern in the
global war on terrorism. The Egyptian and United States Governments continued to deepen their already close cooperation on a broad range of counterterrorism and law-enforcement issues in 2003 (US Department of State 2003 b: website). In its ‘Country Reports on Terrorism’, the State Department did point out that Egypt faced no successful terrorist attacks, due mainly to the vigilance and effectiveness of Egypt's security services. It also noted that many of the Egyptian president's far-reaching powers in the realm of counterterrorism came from a decades-old Emergency Law, which was renewed by Parliament for two years in 2006. (US Department of State 2007: website). It stated that Egypt should follow the example of other countries that have recently passed comprehensive laws to combat terrorism. In its report the State Department also mentioned that South Asia continued to be a central theater of the global war on terrorism. Pakistan remained a key partner in the war on terror and continued its close cooperation with the United States in law enforcement, border security, and counterterrorism training. Pakistan continues to be one of the United States' most important partners in the global coalition against terrorism. Pakistan's military, intelligence, and law enforcement agencies are cooperating closely with the United States and other nations to identify, interdict, and eliminate terrorism both within Pakistan and abroad (Office of the Coordinator for Counterterrorism, Department of State 2004: website). United States assistance has supported Pakistan's efforts to respond to both internal as well external threats to its security. The 9/11 Commission recommended the United States "make the difficult long-term commitment to the future of Pakistan" and "support Pakistan's government in its struggle against extremists with a comprehensive effort that extends from military assistance to support for better education, so long as Pakistan's leaders remain willing to make difficult choices of their own." The Foreign assistance that is provided by the department comprise of varied types of assistance, security and economic assistance being crucial However, the mix of United States assistance for Pakistan reflects the diverse ways the United States is cooperating with Pakistan in pursuit of critical United States governments goals. These include countering nuclear proliferation; building a stable and democratic Afghanistan; ensuring peace and stability in South Asia through the continuation of the India-Pakistan reconciliation
process; and supporting Pakistan’s efforts to become a modern, prosperous, democratic state (Office of the Coordinator for Counterterrorism Department of State 2009:website).

In the war against terrorism the State Department has been eager to reward and reinforce America’s allies. As part of this foreign assistance, security assistance has increased substantially. In addition, limitations on military assistance and arms transfers to regimes involved in human rights abuses, support for terrorism, or nuclear proliferation have been lifted for a number of countries in exchange for their support in the American administration’s war on terrorism. To do so the United States has stepped up military assistance to allies old and new. The State Department budget for fiscal year 2003 was $25.4 billion, which was more than $1.4 billion up from the previous year’s budget. About $5 billion of $25.4 billion international affairs budget request is officially designated for the war on terrorism. This includes: $3.4 billion for programs such as Foreign Military Financing and Economic Support Fund (Ciarrocca & Hartung 2002:website)\(^4\). According to Congressional Research Service estimates, Congress has appropriated about $804 billion in budget authority (BA) from 2001 through 2008 for Department of Defense, the State Department and for medical costs paid by the Department of Veterans’ Affairs (Belasco 2008:website).

While the Department of State is the ‘program manager’ for military assistance programs it is the Department of Defense (DoD) that implements these programs. The Department of Defense has enormous policy making influence because of the size of the organization and its monetary powers. It has been considered to be the most powerful among all the other departments as the Secretary of Defense is the president’s chief advisor on matters related to American defense. The Department of Defense is responsible for defending the United States of America while helping to promote American interests globally. The two departments share these responsibilities, of planning, development, and execution of foreign military assistance programs. Within the department of defense the Defense

Security Cooperation Agency (DSCA) is the principal organization through which the Secretary of Defense carries out its responsibilities towards the various military and non-military assistance programs. America's security role in the world is unique. It provides the basis for a network of alliances and friendships. It provides a general sense of stability and confidence, which is crucial to the economic prosperity that benefits much of the world. And it warns those who would threaten the Nation's welfare or the welfare of United States allies and friends that their efforts at coercion or aggression will not succeed (US Department of Defense 2001:website). It is for this purpose that the both the Department of State and the Department of Defense have laid such importance to the foreign assistance programs of the United States.

For the Defense Department the foreign military assistance programs are very helpful. It aids friends and allies of the United States to deter and defend against aggression and contributes to sharing the common defense burden. The Security assistance programs of the department allow the transfer of defense articles and services to international organizations and friendly foreign Governments via sales, grants, leases, or loans to help friendly nations and allies deter and defend against aggression, promote the sharing of common defense burdens and help foster regional stability. It also includes such diverse efforts as the delivery of defense weapon systems to foreign governments, and assistance in establishing infrastructures and economic bases to achieve and maintain regional stability (Defense Security Cooperation Agency, Department of Defense, 2009: website).

The reason behind providing such assistance is that when the United States assists these nations in meeting their defense necessities, it is contributing towards its own security as well. For the Defense Department the military assistance enhances national security and helps reduce regional tensions and promote regional stability. According to Robert Gates, Secretary of Defense, whatever approach is taken to reform and modernize the United States' apparatus for building partner capacity, it should be built on several principles. Of these, security assistance efforts must be conducted steadily and over the long term, so as to provide some measure of predictability and planning for the United States government, and more significantly, for its partners abroad. Convincing other countries and leaders to be partners of the United States, often at great political and physical risk, ultimately
depends on proving that the United States is capable of being a reliable partner over time. To be blunt, this means that the United States cannot cut off assistance and relationships every time a country does something Washington dislikes or disagrees with (Gates Defense Security Cooperation Agency, Department of Defense: N.D.: website).

According to the Department's **Quadrennial Defense Review** (1997), the foremost threat of coercion and large-scale, cross-border aggression against American allies and friends in the Middle East, the potential for conflict will remain until there is a just and lasting peace in the region and security for Israel. Of particular concern to the defense department, is the spread of nuclear, biological, and chemical (NBC) weapons and their means of delivery; information warfare capabilities; advanced conventional weapons; stealth capabilities; unmanned aerial vehicles; and capabilities to access, or deny access to, space. The proliferation of these weapons especially in the Middle East, where the proliferation of advanced technologies provides means to threaten regional security and terrorize Israel and Egypt (US Department of Defense 1997: website).

The Department has constantly maintained that military assistance to Egypt and Pakistan along with the other states of the Middle East and South Asia are required to protect the United States geopolitical interests. According to the **Quadrennial Defense Review** (2001), the Department feels that the assistance is helpful in its "...new planning construct which calls for maintaining regionally tailored forces forward stationed in the Middle East to assure allies and friends, counter coercion, and deter aggression against the United States, its forces, allies, and friends". (Department of Defense 2001:28). "Although the United States will not face a peer competitor in the near future, the potential exists for regional powers to develop sufficient capabilities to threaten stability in regions critical to U.S. interests. In particular, Asia is gradually emerging as a region susceptible to large-scale military competition."(Department of Defense 2001:12).

According to the Review, "...Asia which contains a volatile mix of both rising and declining regional power ... is gradually emerging as a region susceptible to large-scale military competition. The distances are vast in the Asian theater. The density of United States basing and en route infrastructure is lower than in other critical regions. The
United States also has less assurance of access to facilities in the region. This places a premium on securing additional access and infrastructure agreements and on developing systems capable of sustained operations...” (US Department of Defense 2001:12). Understanding that the security of the United States is closely tied to the security of its allies the Department in its Quadrennial Defense Review (2010) points out that “…although security assistance is not new, what has fundamentally changed is the role that such assistance can play in providing security in today’s environment.... The future strategic landscape will increasingly feature challenges in the ambiguous gray area that is neither fully war nor fully peace. In such an environment, enabling our partners to respond to security challenges may reduce risk to United States forces and extends security to areas we cannot reach alone.” It further points out that “In part because our security assistance architecture was designed to support long-term relationships to help resist a Cold War adversary, processes for making decisions and getting resources to the field can take months or more often-years.” Many adjustments to improve security assistance have been limited in scope, duration, and resources. The Department will continue to work with its interagency partners and with Congress in developing new and innovative approaches to reforming security sector assistance. (US Department of Defense 2010: 73)

Though the Departments of State and Defense play an important role in foreign policy making especially in foreign assistance programs, it is the President who is in control of the policy making processes. According to President Regan, “In the areas of defense and foreign affairs, the nation must speak with one voice, and only the President is capable of providing that one voice” (Kegley & Wittkopf 1996: 338). The American President combines the roles of chief of government and chief of state. He holds the most powerful office in the world. Because the presidency embodies both theses roles the general public tends to evaluate it by standards that are contradictory (Brown 1988: 3). It has been noted that while the public would like the Congress, the other constitutional body that they elect which they tend to trust more than the office of the chief executive, to take a more dominant role in policy making yet in practice the Presidents they like are the ones who take the lead and the Congress they like is the one that follows (Nelson 1990: 13-15).
Congress and the President in American Foreign Assistance Policy

Congress takes a keen interest in foreign assistance. It is with foreign assistance policy, especially military assistance, that the Congress influences foreign policy more directly than any other measure. Military assistance is a valuable instrument of United State’s national security and foreign policy. It helps its friends and allies discourage and defend against aggression. It contributes towards the thought of sharing the common defense burden. Military assistance is a range of programs that enable friends and allies to acquire American equipment, services, and training for legitimate self-defense and for participation in multinational security efforts, such as coalition warfare. (Anon, Department of Defense 1995: website). Since foreign assistance involves the transfer of American tax payer’s dollars to nonvoting foreigners, the Congress also has to oversee the executive’s expenditure of the funds. The challenges facing Congress include weighing the justifications for foreign assistance programs in relation to benefits to the United States that may be provided by such assistance, and to a variety of domestic needs that often put budgetary pressure on foreign assistance. This entails scrutiny of the current level of assistance and proposals to increase assistance. (Veillette 2007: 12).

Influences on the Congress and the President

In the making of any policy the members of the Congress are influenced by numerous sections. The White House, the President and the executive branch are the most important sources of external influence exerted on the Congress. The media also greatly influences the Congress. The Congress faces a two way relation with the media, while on the one hand the members of the Congress have to face intense media scrutiny for all the actions that they take, but they also have to rely on the media to inform the public of their legislative achievements and accomplishments. Further more the congressmen and women have to face the pressure of expectations of their constituents. Few members aversely oppose issues that are of vital impotence to their constituents. The first
amendment to the American constitution is the basis of the most powerful influence in American foreign policy decision-making — the lobby. *Lobbyists and lobbies* play an active part in the legislative process. They have always been a part of the American politics. There are a number of areas in which any change in the federal policy may spell success or failure for many special interest groups. The commercial and industrial interests, professional organizations, state and local level government representation of foreign interests have all sort to exert pressure on Congress to achieve their legislative goals and foreign policy is no different. (Oleszek 2001:30-35). The rapid increase in the number of interest groups in international matters is due to a number of reasons. Along with a telecommunication revolution, there is a growing interdependency in world – this has meant that not only do governments have to work together, the impact of the decision a government makes is scrutinized not just by the citizens of that constituency but also the concerned citizens and governments of the world. According to some leading members of public relations firms, foreign governments have a real interest in the Congress because they are affected by what the Congress does. They are interested because the members of the Congress have a lot to say about foreign policy and can carry out their legislative duties in ways that promote the interest of certain foreign governments. The better governments communicate their interests to Congress the better off they are. A lobbyist can help elevate a nation’s profile in the United States through what happens in the Congress. (Porth 1997:27)

There are a number of Arab groups that try to lobby for more support for the Arab countries. From the start, the Arab lobby faced not only a disadvantage in electoral politics but also in organization. The formal Arab lobby is the National Association of Arab-Americans (NAAA), a registered domestic lobby founded in 1972. Like any other lobby, NAAA makes its case for a pro Arab policy from the American policy makers on the basis of American national interest, arguing pro-Israel policy harms those interests. The National Association of Arab American is mainly a lobbying group for foreign

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5 The First Amendment (Amendment I) to the United States Constitution is part of the Bill of Rights. The amendment prohibits the making of any law "respecting an establishment of religion", impeding the free exercise of religion, infringing on the freedom of speech, infringing on the freedom of the press, interfering with the right to peaceably assemble or prohibiting the petitioning for a governmental redress of grievances.
policies, dedicated to the formulation and implementation of objective attitudes and agendas of America towards all of the Middle East. It attempts to strengthen American relations with Arabic speaking countries and to promote balanced policies based on justice, peace, and equality for all parties. (Alkhereiji 2009: website). The association serves as a spearhead for the larger Arab-American community in the United States. However, the Arab nationalities living in the United States are not as well organized. They have differing views on what is important for the region and how they should try to influence the congressmen to achieve their goals. There are a number of organizations that represent the individual interest of the Arabs states.

Among the Pakistan lobbies that have maintained a consistent presence in Capitol Hill are Pakistani American Public Affairs Committee (PAKPAC), the leading group, which actually grew out of the Association of Pakistani Physicians of North America (APPNA). They unlike the India lobby have not been very successful because they have been unable to unify and attract the Pakistani diaspora to join and support its efforts. Among the many issues that the organization is strengthening, are United States and Pakistan relationship, providing civil liberties and equal opportunities for Pakistani Americans. This has become of vital importance after the backlash that is being faced by Muslims after the September 2001 attacks. Another important issue for the organization is improving and protecting the regional balance of power in South Asia. Strategic defense balance is an absolute necessity for the safety and security of South Asia and it believes that any action or sale of strategic defense equipment, which would lead to further increase the imbalance in South Asia, places the entire region under the heavy threat of a nuclear exchange. The importance of the role that Congress plays can be judged by the fact that one of the issues of the organization is to create in Congress “Friends of Pakistan” body: It is vital that the importance of a Pakistan and United States partnership in the 21st century be identified, and the seed for the establishment of a strong and prosperous Caucus on Pakistan and Pakistani-Americans in the United States be planted. (The Pakistan American Public Affairs Committee N. D.: website).
Assessing the Reorientation of American Foreign Assistance Policy since World War II

Congress has undertaken reform of foreign assistance at various points since the authorization of the Marshall Plan through the Economic Cooperation Act in 1948. After the Marshall Plan ended in 1951, Congress passed the Mutual Security Act of 1951, which coordinated military and economic assistance with technical assistance programs. The Mutual Security Act of 1954 and its 1957 revisions contained the concepts of security and development assistance, and instituted authority central to providing loans to developing countries. These acts, however, did not create a long-term structure for United States foreign assistance. The historic passage of the Foreign Assistance Act of 1961 (FAA) provided the legislative vehicle for the core organization of United States foreign assistance that remains in effect to this day. The successful reform effort that resulted in passage and implementation of the FAA enjoyed both the ardent advocacy of President Kennedy from the time he came to office, as well as the solid support of Congress. (Esptine and Weed 2009: 3).

By 1960, the support from the American public and Congress for the existing foreign assistance programs had dwindled. The growing dissatisfaction with foreign assistance prompted Congress and the Eisenhower Administration to focus American assistance to developing nations, which became an issue during the 1960 United States presidential campaign. The Kennedy Administration made reorganization of and recommitment to, foreign assistance a top priority. It was thought that to renew support for foreign assistance at existing or higher levels, to address the widely-known shortcomings of the previous assistance structure, and to achieve a new mandate for assistance to developing countries, the entire program had to be "new." In proposing a new United States foreign assistance program in 1961, President Kennedy provided a justification based on three premises: (1) then current foreign aid programs, "America's unprecedented response to world challenges", were largely unsatisfactory and ill suited for the needs of the United States and developing countries, (2) the economic collapse of developing countries "would be disastrous to our national security, harmful to our comparative prosperity, and
offensive to our conscience", and (3) the 1960s presented an historic opportunity for industrialized nations to move less-developed nations into self-sustained economic growth. (USAID, Department of State N.D b.: website)

The Foreign Assistance Act of 1961 that was enacted as a result of the legislative process begun by President Kennedy was a relatively concise document that recognized the economic and political principles expressed in the President's transmittal message. Development assistance consisted primarily of two programs: (1) a Development Loan Fund whose primary purpose was to foster plans and programs to "develop economic resources and increase productive capacities" (i.e., a significant amount of capital infrastructure), and (2) a Development Grant Fund, to focus on "assisting the development of human resources through such means as programs of technical cooperation and development" in less developed countries. Three other significant economic assistance programs were included in the new FAA: (1) a guaranty program (now the Overseas Private Investment Corporation) to provide protection assuring United States business against certain risks of doing business overseas, (2) a "supporting assistance" program (now the Economic Support Fund program) to support or promote economic or political stability, and (3) an appropriated contingency fund. (USAID, Department of State N.D.b :website)

American Assistance Policy from 1970-1990

In the early 1970s foreign assistance fell on hard legislative times to the point that, in 1971, the Senate rejected a foreign assistance bill authorizing funds for fiscal years 1972 and 1973. The defeat of the 1971 bill represented the first time that either House had rejected a foreign assistance authorization since the program was first initiated as the Marshall Plan after World War II. Several reasons merged to cause the defeat of the bill: (1) opposition to the Vietnam war, (2) concern that assistance was too concerned with short-term military considerations, and (3) concern that assistance, particularly development assistance, was a giveaway program producing few foreign policy results for the United States. Attempts to reform the foreign assistance program -- particularly
the economic assistance program -- were led by the House Committee on Foreign Affairs. (USAID, Department of State N.D b.: website). In a report, by the Comptroller-General of Accounts to the Congress, in 1976, discussing the bilateral assistance being provided to Pakistan, there was an urge to reexamine the assistance being provided. The report stated that, "The United States provides Pakistan with substantial amounts of economic assistance- an estimated $174 million a year for the fiscal year 1976. Pakistan, however, has not taken sufficient action to improve its general economic condition." The report also stated that, "Pakistan has not resolved basic factors like debt problems and maintains a high level of military spending, which distracts from funds available to develop its natural resources." (US Government Accountability Office, Department of State, 1976: i-ii). The report was critical when it stated, "If Pakistan’s economy is to progress and its quality of life has to improve, United States bilateral efforts to help the people must be matched by a full commitment from its government. In our view the United States agencies that administer assistance to Pakistan have not obtained this commitment." (US Government Accountability Office Department of State 1976: 15).

Attempting to address concerns similar to those raised in 1961 by President Kennedy, legislation drafted at the request of Senator Hubert Humphrey was introduced in 1978 to reorganize the foreign assistance management structure. In the Humphrey bill, an International Development Cooperation Agency (IDCA) was established to coordinate foreign assistance activities as they related to bilateral programs administered by USAID, multilateral programs of international lending institutions then under the purview of the Department of the Treasury, voluntary contributions to United Nations agencies then administered by the Department of State, food programs then administered by USAID, and the activities of OPIC. The bill would have abolished USAID, and placed authority for most bilateral and multilateral economic assistance programs in a new International Development Cooperation Agency. The Humphrey bill was not enacted into law. Bureaucratic obstacles within the Executive branch and in Congress operated to limit the statutory impact of the bill to changes in the policy statements contained in the FAA and less sweeping administrative changes. (USAID, Department of State N.D.: website). The IDCA, however, was established by Executive Order (Ex. Ord. No. 12163.
Administration of Foreign Assistance and Related Functions) in September, 1979. According to the Executive Order as signed by President Jimmy Carter, the IDCA was to be established under the Department of State and the director of IDCA 'would exercise the functions of the President in so far as they pertain to...any other international programs whose purpose is primarily developmental.' (Federation of American Scientists: Executive Order N.D.:website). It called upon the Department of State and the Department of Defense to work with the new organization. 'The proviso relating to tied aid credits under the heading "Economic Support Fund"...shall be exercised in consultation with the Administrator of the Agency for International Development within IDCA....subsection (c)(2) under the heading "Foreign Military Sales Debt Reforms"...which shall be exercised in consultation with the Secretary of Defense....' (Federation of American Scientists: (Executive Order) N.D.: website). Similarly the two Departments were to help the new organization in anti drug trafficking programs, foreign export financing among other things.

With the establishment of the IDCA there was a change in the relationship that was shared by the Secretary of State and the President. Up until that time, all authority to administer the provision of the Foreign Assistance Act's programs had been vested in the Secretary of State by delegation from the President. With the establishment of IDCA, FAA authorities were delegated in part to the Director of IDCA (those dealing with the provision of economic assistance), most of which were re-delegated to the Administrator of USAID. Generally, those authorities dealing with security assistance were delegated to the Secretary of State. (The Economic Support Fund is the point at which the development and security programs "meet", so that the Secretary is empowered to determine what countries receive ESF assistance and the amount, the USAID Administrator implements the ESF programs.) To give effect to some of these changes, the President submitted a reorganization plan (Reorganization Plan No. 2) which delegated certain economic assistance functions to the Director. (USAID, Department of State N.D. b: website)
Beginning in late 1988, the House Committee on Foreign Affairs (HFAC) began an examination of the foreign assistance program generally and, in particular, the continued relevance of the Foreign Assistance Act. At the same time, numerous outside interest groups also began a similar review. The product of the House Committee on Foreign Affairs review was a report which contains certain findings and recommendations. The Hamilton-Gilman report as it came to be called made some recommendations. It stated that, "foreign assistance is a valuable foreign policy tool in terms of promoting American security interests and its economic interests. The interrelationship and interdependence of nations means that the United States will continue to be affected--for good or bad--by economic and political events in other parts of the world and, increasingly, economic issues dominate the international agenda. Moreover, the world is changing to become more urbanized and with an increasing recognition of the value of market-oriented solutions to social and economic problems." But it noted that the program did not enjoy broad public support as "United States public support for helping poor people remains strong, but the public does not view the assistance program as doing this effectively. The public has very little concept of the assistance program as an instrument of foreign policy, used to advance United States interests." It also stated that there are too many objectives in the Foreign Assistance Act, so numerous in fact that they "cannot provide meaningful direction or be effectively implemented"; too many earmarks, reporting requirements, and restrictions hamper the effectiveness of programs and forces the Executive branch to focus on anticipating how assistance will be used, rather than on how effectively it has been used; the economic assistance program is spread out over too many countries in too many projects; there is little coordination of United States economic, security, and development policies". (USAID, Department of State, N.D.b: website).

To confirm this charge, the Comptroller General Accounting Office, submitted a report to the Congress, which stated that, "Under the Foreign Assistance Act of 1961, as amended, AID is required to give priority to narcotic related development assistance projects." (US Government Accountability Office Report 1988: 3). However, "United States supported crop control, enforcement and interdiction efforts in... Pakistan have not produced major
reductions in opium production and it is not likely that reductions would be achieved in the near future.” (US Government Accountability Office Report 1988: 2). The report asked the Secretary of State to establish more quantifiable goals. The report was critical of the way the agencies were functioning. They found it dismaying that non-governmental organizations were better organized in distribution of assistance and in achieving their targets, thus becoming more important than the assistance that was being provided by the American agencies. In many ways the Government Accountability Office’s concerns echoed the Congressional worries and together provided a challenge to the executive initiatives.

With the eastern European countries expressing their desire to be autonomous and/or free from the Soviet Union, it was realized by the lawmakers that the emphasis of the new foreign assistance program of the United States had to concentrate on economic assistance. The report’s major recommendation was to repeal the Foreign Assistance Act and start fresh with an act that was far more focused than current law. The legislation that was drafted by the Committee to address the report’s findings, had as its major economic assistance themes economic growth, poverty alleviation, environmental sustainability, and promotion of political pluralism, which were designed to give focus to the economic assistance objectives of American foreign assistance programs. The bill also attempted to be more results-oriented in its approach by streamlining congressional notification procedures and encouraging a more active role for program evaluation. (USAID Department of State, N.D.: website). However, the bill failed to be cleared and various efforts to rewrite it were also not successful. Nonetheless, the thrust of the report was carried forward by President George H.W. Bush. The administration's proposals which would have consolidated development assistance into fewer accounts and would have provided enhanced flexibility in the administration of foreign assistance programs were defeated on the House floor. Some elements in Congress, criticized the effort for providing the Executive branch with too much discretion, and it was not seriously considered. (USAID Department of State, N.D. b: website)
The Post Cold War Foreign Assistance Policy

The Bush Sr. Years

The 1990’s have been dominated by presidents who had very strong personalities. President George H.W. Bush was elected in 1988. Before taking over the office of the president he had served as vice president in President Reagan’s administration. His administration was witness to the dramatic events in Eastern Europe in 1989 followed by the collapse of the Soviet Union eliminating the Cold War. The 1991 national security strategy statement envisioned security assistance supporting three fundamental elements of American defense strategy: Crisis response, reconstruction and the forward presence of American armed forces. The statement asserted that the security assistance “must enhance the ability of other nations to enhance our deployment”. The objective of the document was to find an approach to security broad enough to preserve the basic sources of American national strength and focused enough on the very real threats that existed. The basic policy towards the Middle East was strategic concern that included promoting stability and security, maintaining the free flow of oil and non proliferation of weapons of mass destruction among certain other goals. (The White House 1991: 16). It was the view of President Bush Sr. that while a permanent presence could not be maintained in the region, the United States for its own security needed to bolster the security capabilities of her allies like Egypt to help in maintaining security and provide the United States a longer period to a crisis or counter any threat. With respect to South Asia in general and Pakistan in particular the document expressed concern over her nuclear program and stated that the president would be unable to certify Pakistan’s nuclear program under the Pressler amendment. (The White House 1991: 16).

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6 Adopted 1985. Sec. 620E[e] of the Foreign Assistance Act of 1961 as amended. Originally banned most economic and military assistance to Pakistan unless the U.S. president certified, on an annual basis, that Pakistan did not possess a nuclear explosive device, and that the provision of U.S. aid would significantly reduce the risk of Pakistan possessing such a device.
The 1993 national security document reiterated these themes but also said that the time had come to 'refashion' security assistance. Stressing the continued mandate for security through strength, the report defined four enduring and mutually supportive strategic goals: deterrence and the capability to defeat aggression should deterrence fail; strengthening American alliance arrangements and preference for multilateral action; maintaining stability through forward presence and force projection; and helping to preclude conflict and keep the peace. It also emphasized the need to reform United States economic institutions and bilateral development assistance and to expand considerably United States efforts in the environment and in space. (The George Bush Presidency: Museum and Library, 1993: website).

It was under the leadership of President Bush Sr. that the Gulf War (1990) was fought, when Iraq invaded the neighboring state of Kuwait. For America, access to the gulf's vast oil resources, was intrinsically critical for its economy and security. The president led a coalition of thirty two nations including Britain and France. The coalition also included a number of states from the Middle East, Egypt and Saudi Arabia. Egypt was, in fact, instrumental in gathering support for America in the Middle East before the war after it had tried to resolve the issue through mediation but failed. The very fact that the President allowed Egypt to assemble support for the American led war points to the significance that Egypt had achieved in American Middle East policy. Egypt is a pivotal country in the Arab world and a key American ally in the Middle East. America, knows that Egypt as a regional power and because of its moderate views is trusted both by America itself as well as the Arab nations.

It has been in the interest of America to maintain the support to Egypt towards its policies. America has made all possible contributions to the development of Egypt. The United States on the request of the president provided $4.6 billion in military loans, $12.6 billion in military grants and over $20 million in international military education and training funds to Egypt over the decade of the nineties with an average of $1.1 billion a year. In September 1990 President Bush requested the Congress to transfer Egypt's entire $6.7 billion military debt to the Defense Department so that it could be canceled. The
President felt that Egypt was critical to the entire Middle East peace process and the coalition. (Bush & Scowcroft 1998: 360). This was the reward Egypt received for being a part of the ‘Operation Desert Shield’ against the Iraqi invasion of Kuwait. The Senate signed in to law the proposal by the President, thus providing the canceling Egypt’s military debt to the United States. From 1993 through 1998, Egypt received from the United States $815 million in Economic Support Funds (ESF) annually, $200 million of which was designated for the Commodity Import Program, and an equal amount was direct transfer not associated with any specific program. (Mark 2004: 10). It was only after the end of the Gulf war in 1991, that the United States could turn it attention towards the Arab Israeli peacemaking, believing that there was a window of opportunity that could be used for political gains, as a result of the victory over Iraq. The victory of American arms in the Persian Gulf War inspired a period of significant hope and promise for the Middle East. (Norton 2002: 6). But unlike other American efforts, President Bush did not believe that there was any need for new assistance and aid commitments. (Lasensky 2004: 215).

Meanwhile, the early 1990’s raised America’s hope of Pakistan’s future which had set up a democratic government and the United States hoped that this would be the beginning of the Pakistan military staying in the barracks rather than assuming power. It was also the time that Pakistan was free of any major conflicts with its neighbors. It was hoped that Pakistan would be able to take advantage and integrate with the global economy as it had started to open its economy and liberalize. With the withdrawal of the Soviet troops from Afghanistan, American interest in the country was greatly reduced. American policy towards Pakistan at this point was one of disinterest, diverted by the fall of the Berlin wall and the break up of the Soviet Union and the war in Iraq (1991). (Cohen 2006: 303). With the withdrawal of Soviet troops from Afghanistan, the United States also withdrew its attention from Pakistan. The American interest shifted to the situation in the Gulf, while Pakistan felt that it was abandoned to face the sociopolitical economic consequences of the war in Afghanistan all alone. Pakistan had to absorb a large influx of refugees, the war led to a boom in smuggling of drugs and guns in to Pakistan which
created powerful arms and drugs mafia causing an expansion of the heroin and arms trade throughout the country. (Hilali 2002: website).

The major area of contention between the two nations was the issue of nuclear weapons. With the Soviet withdrawal from Afghanistan, Pakistan’s nuclear activities again came under intensive American scrutiny and, in 1990; President George H.W. Bush suspended assistance to Pakistan. Under the provisions of the Pressler amendment, most bilateral economic and all military assistance ended, and deliveries of major military equipment ceased. The $564 million economic and military assistance program approved for fiscal year 1991 was frozen. At the time, Pakistan was the third-highest recipient of American assistance. Israel and Egypt were the other two countries that received more assistance. In 1992, Congress partially relaxed the scope of sanctions to allow for food assistance and continuing support for nongovernmental organizations. Among the notable results of the aid cutoff was the non-delivery of F-16 fighter aircraft purchased by Pakistan in 1989. Nine years later, the United States agreed to compensate Pakistan with three hundred and twenty five million dollars in cash payment and one hundred and forty million dollars in goods, including surplus wheat, but the episode engendered lingering Pakistani resentments. During the 1990s, with American attention shifted away from the region, Islamabad further consolidated its nuclear weapons capability, fanned the flames of a growing separatist insurgency in neighboring Indian-controlled Kashmir, and nurtured the Taliban movement in Afghanistan, where the radical Islamist group took control of Kabul in 1996 (Kronstadt 2007:website).

Assistance Policy in Clinton Years

With the end of the Cold War and the Gulf War and given the economic circumstance within the United States, it was no surprise that domestic economy was the paramount consideration for the administration of President Clinton. The election of President Bill Clinton initiated a considerable change in emphasis on foreign assistance. The central objective of the Clinton administration, was to promote democracy and stability and free market economies. It was under the Clinton administration that the United States truly
started to follow a post containment foreign policy. This was nowhere more evident than in the President Clinton’s National Security Statement 1995 that linked four principal elements of foreign policy to security assistance: maintaining strong military forces with a peace time forward presence commitments, responding to global threats that are posed by terrorism and the spread of biological and chemical weapons, supporting multilateral peace operations and perhaps the most important was the promotion of democracy and human rights. (Lindsay & Ripley 1997: 226). The National Security Strategy 1997 stressed the need for America to retain a strong diplomatic corps and a foreign assistance program sufficient to maintain American leadership. In fact it laid stress on the fact that, “Our tools of foreign policy must be able to shape the international environment, respond to the full spectrum of potential crises and prepare against future threats.” (National Archives and Records Administration 1997: website). These statements gave security assistance a prominent role in strengthening America’s ties with its allies and friends. It emphasized the role of United States foreign assistance policy in advancing the goals of national security by stating that the United States foreign assistance has helped expand free markets, assisted emerging democracies, contained environmental hazards and major health threats, slowed population growth and defused humanitarian crises. It stated further that when combined effectively with other bilateral and multilateral activities, United States initiatives reduce the need for costly military and humanitarian interventions. Where foreign assistance succeeds in consolidating free market policies, substantial growth of American exports has frequently followed. (The White House 1997: website). The core objective of the administration under President Clinton was to link American prosperity to the linkages between economic interests and security interests.

While the goals as stated by the American foreign assistance policy are admirable—alleviating poverty and fostering economic growth, for example—it is difficult to find countries in which United States assistance has generated lasting improvements in the lives of the poor. Instead, assistance has typically helped stunt progress and has created dependence. A 1989 report by the USAID acknowledged that problem: 'Only a handful of countries that started receiving United States assistance in the 1950s and 1960s has ever graduated from dependent status.' A 1993 Clinton administration task force, for
instance, conceded that "despite decades of foreign assistance, most of Africa and parts of Latin America, Asia and the Middle East are economically worse off today than they were 20 years ago." (CATO Institute for Policy Perspectives, N.D b.: 320) About one-third of United States economic assistance goes to the Middle East; most of that assistance is received by the governments of Egypt and Israel. It should not be surprising; then, that the region is notable for its low levels of economic freedom and almost complete lack of economic reform. (CATO Institute for Policy Perspectives N.D.: 610).

In response to a request by the speaker of the house and the majority of the senate, the Comptroller Accounting General in its report 'Foreign Economic Assistance Issues (Dec. 1992), stated that the federal government needed to comprehensively reexamine foreign assistance goals and objectives, and USAID needed to clearly articulate its strategic mission. (US Government Accountability Office Department of State 1992: website). The National Performance Review (NPR) considered the threshold question of USAID's future existence. Reasonable arguments have been made for USAID's absorption into the State Department, or for its abolishment. The NPR has concluded that the problem driving all USAID's other problems is the lack of a clear and coherent mission and manageable set of priorities in legislation governing its programs and operations. USAID's abolishment or absorption would not cure this central fact about the laws now covering its bilateral assistance programs. With a simplified mission, clearer priorities, strong leadership, innovative thinking, and fundamental reform of its programs and operations, USAID could reclaim its potential to be an effective provider of United States development assistance. (William J. Clinton Presidential Center: 1993: website). The problem identified by this report as well others on foreign assistance was very similar, namely that, the USAID is burdened with a varied number of responsibilities and that it has too many objectives, with limited resource and personnel at its disposal.

Subsequently, the Clinton administration took to rewriting the Foreign Assistance Act. In 1994, the Peace, Prosperity, and Democracy Act (PPDA) was introduced which would have repealed the Foreign Assistance Act and substituted in its place a radical new account structure for foreign assistance programs. Based on program objectives, its
authorizations would have merged previously separate programs into the same account. Thus, development assistance and those international organizations with a development focus would have been funded from the same account. Considerable flexibility was provided in the way in which assistance could be provided and legislative limitations overcome. The bill would have authorized assistance according to the major purpose for which the assistance was to be provided (e.g., promoting peace, sustainable development, etc.) rather than by the traditional functional accounts. The bill also provided enhanced flexibility in the administration of foreign assistance. However, the bill was never introduced in the Senate and never reported out of committee in the House. (USAID Department of State, N.D.a: website). Changing itself with new ideas that were being presented to it the Congress decided that the thrust of the program needed to change to the problems of sufficiency in agricultural output, education and overall social development rather than be concentrated on the old categories of technical assistance grants and development loans. The aim of this new concept of assistance that the Congress envisaged the United States to provide was, to have an equal thrust on technical expertise that would also help meet the development goals.

Widespread skepticism about the utility of foreign assistance forced the Clinton administration to promise reforms for the foreign assistance programs. The administration reoriented the way assistance was to be awarded by creating new categories under which it was disbursed. In the words of Secretary of State Warren Christopher, fiscal year 1995 brought the "first true post-Cold War foreign affairs budget." However, the reforms were merely an amalgamation of old polices with a greater emphasis on such questionable goals as population control, sustainable development, democracy promotion, peace among others. While President Clinton had reduced spending on foreign assistance, Washington was still giving assistance worth $18 billion a year. On his November 1993 visit to Washington, Israeli Prime Minister Yitzhak Rabin pressed the Clinton administration for continued economic and military aid flows. After the Republican Congress was seated, Defense Secretary William Perry promised Egypt that its $2.1 billion check was safe. Cairo, he explained, "is a source of stability and moderation in the Middle East". Unrest in Yasser Arafat's new Mideast
dominions had led to demands for hundreds of millions of dollars in assistance. (Bandow, 1995: website). Yet, both chambers of the Congress passed legislations designed to slash foreign assistance and reorganize the nation’s foreign bureaucracy. In 1995 the Congress Republicans made deep cuts in the $12.2 billion foreign assistance package proposed by the Department of State. The House was divided sharply over party views: the Republicans supported the reform cuts while the Democrats were opposed to it. (Congressional Quarterly, 1996:103). However, the politically popular assistance programs to Israel and Egypt were left untouched. It was felt that America had made a commitment to the two countries. The American assistance was seen as a guarantee of negotiations to continue to bring stability to the region. Thus, both the Congress and the President via the budget proposals had firmly placed American assistance to Egypt and Pakistan on a firm footing by the end of the nineties. America has made it clear time and again that peace in the Middle East is very important for American national security. For instance, the Congress passed the $1.8 billion in economic support and $3.4 billion in foreign military sales for the Middle East of which $5.2 billion assistance was being asked by the government to sustain the Middle East peace process. In addition a $1.9 billion military assistance and economic support were requested to meet the priority needs arising from the peace conference. (Office of the Management of Budget 2000: 142-143). The Congress also provided the 2001 request for the Economic Support Fund of $2.3 billion and Foreign Military Finance of $3.5 billion to promote stability and progress made between Israel and its neighbors. However, the requested economic security fund levels for Israel were reduced and the military assistance was increased. Office of the Management of Budget 2000: 142-143). Congress during 1997-2001 provided Egypt with around $1.9 billion. Between 1989 to 1996 the Congress approved military assistance worth $1.3 billion (average). As a result of joining the American led alliance against the occupying forces of the Iraqi army the Congress on the recommendation of the then Secretary of Defense announced that Egypt’s entire military debt of $7 billion was being written off. (Ministry of Information, Arab Republic of

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Egypt, N.D.: website). America could not ignore the fact that Egypt's support during the Gulf War (1990) was central in gathering the support of the Arab participation in the war.8

At the present time, the United States has a large number of foreign policy commitments and military bases to look after which means that the Congress has, both, many more programs to oversee and find new tools with which to influence foreign policy. One notices that over the last decade of the nineties and into the new century the Congress has become less insular and more permeable to outside forces than before. This change has been brought about by the broader changes in the international environment. The end of the Cold War virtually invited the Congress to flex its muscles on foreign policy. Post Cold War legislators sensed quickly that they would risk paying less of a price at the ballot box for not buckling to the presidential leadership abroad. This new foreign policy assertiveness showed itself as soon as the Cold War ended. There is a clear indication that the less the threat from the international system the more room there is for congressional involvement. Rises in threats from the international environment like war affect the capacity of foreign policy committees in questioning the executive officials. (Rosner 1996: 23). From the end of the Second World War till the end of the Cold War Presidents in the United States had prevailed with the Congress on a majority of the national security issues on the White House declared position. However, during 1992, President Bush won fewer than fifty percent of such votes in the Congress, a stunning statistic given the respect in foreign policy that he had earned as a result of the victory of the Gulf War (1991). (Rosner 1996: 23). In 1995, a Government Accountability Office report, prepared to inform Congressional members and key staff on the assessments that that department was carrying out in general international affairs, informed that there could have been possible violations of the foreign assistance act when Turkey transferred uranium enrichment equipment, material or technology to Pakistan. (US Government Accountability Office 1995:8). Similarly, in another report the agency in its

8 Iraqi invasion of Kuwait, an oil rich nation, led to the largest deployment of American troops since the Vietnam War. Through the Congress was outraged at the aggression it was divided. The Democrats supporters wanted tough economic sanctions against Iraq as an alternative to war. In the end it was a divided Congress that authorized the administration use "all necessary means" to force Iraq out of Kuwait. (Congressional Quarterly 1993: 203).
recommendation to the Congress stated that USAID prefers recipients of cash grants to use the money to purchase American goods, but recipients are not required to do so. USAID has reported that for fiscal year 1992, an estimated 83 percent of the cash grants (about $1.6 billion) were used by recipient countries to repay debt. The report further went on to say that while, USAID reported that about 17 percent was used to purchase goods, of which, about one-half (or about $165 million) was used to directly purchase American goods, but these data are of doubtful accuracy. It was felt that USAID had not provided clear or consistent guidance to its overseas missions on which form of assistance—cash grants, Commodity Import Programs, or projects—would best meet United States objectives or under what circumstances one form of assistance should be preferred to another. It also noted that mission officials faced competing demands about what assistance modes to use. (US Government Accountability Office Department of State 1993:4-5). Interestingly, Pakistan was to become a major challenge to the United States government later on.

Foreign assistance spending steadily declined during the 1990s and conservative Congressmen, foremost among them Senator Jesse Helms, called for USAID’s elimination. Helms who famously described foreign assistance as “throwing money down foreign rat holes”, and his colleagues eventually agreed to keep it alive on three conditions: USAID would shrink; it would be held accountable to the State Department; and it would embrace private sector reforms. Because of declining Congress support for foreign assistance and bitter disagreements over policy, Congress had not authorized the program since 1985. As a result the members of the House and Senate foreign affairs committees lost much of their influence to appropriations which fashion the annual foreign operations bill. In an effort to reclaim territory Senator Helms and Joseph Biden Jr. a democrat from Delaware introduced legislation S2382 that would have authorized the bulk of foreign assistance spending. Senator Helms was unable to move the measure to the Senate due to opposition. (Congressional Quarterly, 2000: (11)-3). A year long campaign by the republicans to downsize, the foreign affairs bureaucracy ended in a failure when the House refused to override President Clinton’s veto over state department authorization bill (HR 1561). The outcome could have forced the elimination of one of
the three foreign affairs agencies: the arms control and disarmament agency, the agency for international development or the United States information agency. The bill's demise marked a bitter defeat for Senate Foreign Relations Committee chair Helms who had been on a quest to scale back the foreign affairs bureaucracy. If cleared, the bill would have authorized a total of $13 billion in spending to the state department and other policy agencies for the fiscal year 1996-97. The administration objected to those levels particularly the $6.5 billion for fiscal 1997 saying it would act as a restrictive ceiling for the appropriators when they took up the fiscal 1997 spending bill. (Congressional Quarterly 1999: (9)3). President Clinton signed the separate foreign operations bill (HR 1868-PL104-107). The foreign assistance bill provided significantly less than the $14.8 billion President Clinton had requested. The measure included a provision that was sought by the administration including the easing of long standing restriction on assistance to Pakistan. (Congressional Quarterly 1999: (10) 19). As usual the vast majority of the United States bilateral assistance was slated to go to just two countries-Israel and Egypt. The budget contained a three billion dollar in military and economic assistance to Israel and $2.1 billion for Egypt. (Congressional Quarterly 1999: (2)-15).

According to the budget for fiscal year 1999, "United States security depends on active diplomacy, steps to resolve destabilizing regional conflicts, and vigorous efforts to reduce the continuing threat of weapons of mass destruction. Strong diplomatic engagement depends on a clear foreign policy vision, built on a vigorous, carefully coordinated process of formulating policy. ... The budget also proposes the necessary funds to support the Middle East peace process through the Economic Support Fund (ESF) and the Foreign Military Financing (FMF) programs. ESF also provides direct assistance to address the root causes of other regional conflicts, such as the lack of fair and effective systems of justice..." (Office of the Management of Budget 1998:156). In March 1999 the defense department announced the sale of arms to Egypt that amounted to $3.2 billion. The Congress also approved an addition $425 million in military assistance as part of the Wye agreement even though his administration had not requested the additional funds. (Mark 2003: 10). While presenting the 1999 budget the President stated that the United States strategic interests in peace in the Middle East were as strong as ever. He further stated that the peace process had achieved a lot already, and that the
United States played a unique leadership role in the efforts to craft a durable, comprehensive regional peace. In his budget request he proposed $5.3 billion for security assistance to sustain the Middle East peace process. The budget also provided the State Department with $2.8 billion to maintain its world wide operations (Office of the Management and Budget 1998: 127) for compliance with security needs of America. The President after the Wye agreement had said that, “the United States is determined to help in whatever way it can.” (Clinton 2000: 1837). At the same time a waiver for the sanctions of India and Pakistan was included in the fiscal year 2000 defense appropriation bill that the President signed in to law. (Congressional Quarterly 1999: (23)-24). In effect, the calculation was that for different reasons, both Egypt and Pakistan would continue to be the focus of United States foreign assistance programs. Further, it was clear from the evidence that both the Executive and the Congress through the budgetary process were engaged in the dynamics of foreign assistance policy. The Congress used the Government Accountability Office reports and its own Congressional Research Services to arrive at decisions regarding foreign assistance amounts.

It was also evident that the United States strongly perceived Egypt as a vital partner right through the nineties despite the rumblings from various quarters. Thus in 1996, Clinton argued that the United States had a vital interest in enhancing Egypt's national defense and in supporting its role as a vital United States coalition partner and regional leader - one that is secure in its own borders and at peace with its neighbors. Towards this end the President designated Egypt a Major Non-NATO Ally, recognizing Egypt's critical regional role and support for United States policies in the Middle East. (Bureau of Political-Military Affairs, Department of State, 2008: website). For the United States, Egypt represented a somewhat ‘democratic regime’ in an area that was predominantly ruled by centralist, authoritarian governments. Consequently, there is a commitment on the part of the American administration to continue to support Egypt despite claims of violation of human rights. It is also the one moderator that both parties in the Middle East conflict are willing to trust; as a result the United States has time and again has allowed Egypt to play such a significant role in the Middle East peace process. It was evident when President Clinton called Egypt one of America's "most important global partners"
and thanked President Mubarak for his country's role in helping to bring Israel and its Arab neighbors together, when the Egyptian President was on a visit to the United States in 1993. Both pledged to work together to further the Middle East peace process and to try to foster political reconciliation. However, the President stated that while America would try to maintain the current high levels of United States assistance to Egypt, he also warned that continued assistance could not be assured indefinitely unless the Egyptian leader moved more aggressively toward political and economic reform. (Broder 1993: website). Thus, American recognition of the importance of Egypt as a regional power that supported the American position with regards to peace in the region, resulted in the encouragement of Egypt's continued participation and leadership in Middle East peace efforts. As is evident assistance policy continued to be vital part of this policy approach.

The other very important issue for the administration of President Clinton was America's relations with Pakistan. The Pressler Amendment had banned American assistance and arms sales to Pakistan unless the President certified that Islamabad does not have a nuclear weapons program. But Pakistan had ignored the ban and built components for several nuclear bombs during the 1980s and finally in 1990--after years of threats--the George H.W. Bush Administration began enforcing the ban. One impact of the law was the blocking the delivery of planes and military hardware to Pakistan. Yet, President Clinton said that he would ask Congress to soften the law banning American arms sales to Pakistan because of its nuclear weapons program as Pakistan was important to the overall American objective on the issue of nuclear non proliferation and regional stability on South Asia. (McManus, 1995: website). It is important to note that while the Congress was divided over the issue of assistance to Pakistan the executive was determined to be engaged in the region through a sanction cum assistance policy. This pointed towards a marked change in American foreign assistance policy towards Pakistan. The justification given by the administration was Pakistan had already paid for the product. It later also approved and formally notified Congress that it would deliver $368 million in military equipment to Pakistan after holding up the transfer for months over Pakistan's purchase of Chinese magnets that could be used to enrich uranium for nuclear weapons. (Times Wire Service: 1996 ;website). The decision by India to conduct nuclear tests in May 1998
and Pakistan's matching response set back United States relations in the region, which had seen renewed United States Government interest. Under the Glenn Amendment, sanctions restricted the provision of credits, military sales, economic assistance, and loans to the government. The October 1999 overthrow of the democratically elected Sharif government triggered an additional layer of sanctions under Section 508 of the Foreign Appropriations Act, which included restrictions on foreign military financing and economic assistance. United States assistance to Pakistan was subsequently limited mainly to refugee and counter-narcotics assistance. (Global Security: 2009: website).

President Clinton also called nuclear-armed South Asia "the most dangerous place in the world." He recognized that Pakistan was a strategically relevant country with whose leadership business must be done. This points to the continued faith that the American leaders have towards the Pakistani army and their support to American aims and goals. However, domestic constrains did impact American assistance policy in the nineties.

**Domestic factors as Inhibitors of Assistance**

In the 1990's the rationale for foreign assistance seemed to weaken with an erosion of confidence on the effectiveness of foreign assistance in achieving its goals in furthering development and democracy. These developments coincided with the aim of the Clinton presidency to cut the federal budget and efforts on the part of the Congress to cut the size of the government which resulted in a decrease in foreign assistance since the Marshall Plan. (Lancaster 2007: 83). According to Carol Lancaster, who was part of the USAID under the Clinton administration, the end of the Cold War did not bring to an end the diplomatic use of United States foreign assistance. A considerable amount of that assistance was being deployed for peace making especially in the Middle East. But without the Cold War rationale the priority of assistance diminished considerably. There was a growing feeling that foreign assistance had not been effective. (Lancaster 2007: 85). In 1993, The Chairman, Subcommittee on Foreign Operations, Export Financing and Related Programs, House Committee on Appropriations, requested that Government

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Section 508 of the Foreign Operations Appropriations Act, which provides that military and peace keeping assistance shall not be made available to any country whose duly elected head of government was deposed by military coup.
Accountability Office review the Foreign Military Financing programs for Israel and Egypt. Government Accountability Office's objectives were to (1) determine why Israel and Egypt often purchase United States-funded goods and services directly from contractors rather than through the United States government and (2) identify any weaknesses in the program. The issue was raised after the "Dotan affair," raised congressional concerns about the possibility of fraud, waste, and abuse in the Foreign Military Financing program as operated by the Department of Defense. (US GOA Report1993:1). Foreign Military Financing is largely a grant aid military assistance program that enables United States allies to improve their defense capabilities through the acquisition of United States military goods and services. The Department of Defense's Defense Security Assistance Agency is responsible for managing the Foreign Military Financing program by approving contracts and payments. Israel and Egypt were the largest program recipients, with annual grants of $1.8 billion and $1.3 billion, respectively. (US Government Accountability Office Report 1993:2). These facts provide the basis for the analysis that the domestic budgetary constraints were accompanied by Congressional concerns about the fraud, waste and abuse of assistance grants. Combined these two factors reined in the executives plans of assistance. Further they restrained the overall scope of assistance programs as was evident in the members request for review by the Government Accountability Office.

**United States Assistance Policy and the War on Terrorism**

The terrorist attacks on the World Trade Center and the Pentagon dramatically altered the United States political environment, pushing issues of war and homeland security to the top of the policy agenda. Of particular concern to Congress at this time was the progress of the ongoing war on terrorism, a possible war with Iraq, the unfolding crisis with North Korea, and dealing with the proliferation of weapons of mass destruction (WMD) and missiles. (Miko & Goldich 2003:1). It may be noted that the Congress and the

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10 The United States had granted billions of dollars in security assistance to Israel and Egypt through the Foreign Military Financing program. In 1991, Israel convicted one of its Air Force officers, General Rami Dotan, of skimming an estimated $40 million in U.S. funds by submitting false purchase orders on U.S.-financed contracts. This incident, came to be know as the "Dotan affair."
Administration increased their interest in foreign assistance programs in the post-9/11 environment, prompting a re-examination of the purposes of assistance, and how best to achieve those objectives. The renewed interest occurred as the Administration of Bush Jr. initiated many new programs. The administration of President George W. Bush foreign policy was based upon a fresh understanding of the challenges of this new century. It comprehended both the traditional and the transnational factors shaping the post-Cold War world. It was guided by the principle of integration, but recognized that success is by no means inevitable. In the first major Presidential address concerning foreign assistance since the Kennedy Administration, President George W. Bush announced the; "New Compact for Development;" at the Inter-American Development Bank. During the speech, he said that combating poverty is a moral imperative and that he had made it a American foreign policy priority. To meet this challenge, the President had proposed increased accountability for rich and poor nations alike, linking greater contributions by developed nations to greater responsibility by developing nations. He announced that the United States would increase its core development assistance by 50% over the next 3 years, resulting in a $5 billion annual increase over the then current levels. These additional funds would go to a new Millennium Challenge Account that would fund initiatives to help developing nations improve their economies and standards of living. (USAID: N.D a: website)

There has been a definite shift in American foreign assistance policy after the September attacks. President Bush called the War on terror- "the first war of the twenty-first century". The events of 9/11 were both world changing and world view changing for the United States. President Bush stated to a joint session of the Congress, "...Americans have known the casualties of war but never in a peaceful city ....and never before on civilians." According to Vice President Dick Cheney the event had “changed the way we think about threats to the United States.” and Secretary of State Collin Powel said that, "...it's a new kind of threat" (Crawford 2004: 685). In his address to Congress nine days after the September 11 attacks, President Bush declared war on global terrorism and announced his intent to deploy "every resource at our command" to defeat terrorist networks and to treat states that harbor and support terrorism as "hostile regimes"
(Steinberg 2002: 4). As reported by the *Washington Post* the Bush administration sent a classified memorandum to Congress on 2 November 2001, proposing the additional arms sales to Egypt. The Department of State publicly acknowledged the proposal on 29 November 2001 in a press briefing. The goal was ostensibly to help improve the security of a friendly country “which was and continues to be” an important force for political stability in the Middle East. President George W. Bush elevated global development as a third pillar of national security, with defense and diplomacy, as articulated in the United States National Security Strategy of 2002, and reiterated in 2006.( Epstein and Weed 2009: 1). In a major policy statement issued in September 2002 and titled the ‘National Security Strategy’, the President declared, "It is time to reaffirm the essential role of American military strength," and he detailed two significant new uses of that might: pre-emptive attack on would-be enemies, as in Iraq, and preventing rivals from even considering matching America’s strength (Sterngold 2004:website). Simultaneously, in 2002, foreign assistance budget justifications began to highlight the war on terrorism as the top foreign aid priority, emphasizing amounts of assistance to 28 “front-line” states—countries that cooperate with the United States in the war on terrorism or face terrorist threats themselves. Large reconstruction programs in Afghanistan and Iraq were also part of the emphasis on using foreign assistance to combat terrorism. (Epstein and Nakamura 2009: 4-5). In January 2006, Secretary of State Rice announced the “transformational development” initiative to bring coordination and coherence to United States assistance programs. She created a new Bureau of Foreign Assistance (F Bureau), led by the Director of Foreign Assistance (DFA), who also serves as Administrator of the United States Agency for International Development. F Bureau developed a Strategic Framework for Foreign Assistance (Framework, or F process) to align aid programs with strategic objectives. The Framework became a guiding force in the FY2008 and FY2009 budgets, as well as the FY2010 budget request. (Epstein and Weed 2009: 3)

Since the events of 9/11, amounts requested and approved by Congress for foreign assistance have steadily increased. (Veillette 2007: 1). The foreign operations budget request for fiscal year 2008 totaled $24.4 billion in foreign assistance programs; representing a 12% increase from the previous year’s enacted level of $21.7 billion,
excluding fiscal year 2007 supplemental funds. This level of increase was the largest within the budget request government-wide. The proposed level for fiscal year 2008 represented 1.2% of the total United States budget. Part of the trend in increases was due to the greater use of supplemental appropriations measures to fund international affairs spending, including foreign assistance. (Veillette 2007 4-5). According to an article published in the ‘Arms Sales Monitor’ by the Federation of American Scientists, the fiscal year 2002 Foreign Operations Appropriations Act (H.R. 2506) that passed Congress, is a telling statement about United States foreign policy. Of the $15.4 billion appropriated for foreign assistance, almost half ($7.2 billion) was for security assistance. The Middle East received the largest allocation of foreign assistance, totaling $5.1 billion. (Federation of American Scientists 2002: 4).

Since the 9/11 attacks the United States is giving more than $4.5 billion in military and economic assistance to Egypt. This is more than 30% of the total assistance that was proposed for the fiscal year 2002. President Bush proposed a $5.1 billion increase in foreign military assistance and a $38 billion increase in defense spending (Congressional Quarterly Researcher 2002: 365) to prepare America to fight the global war on terrorism. This massive assistance being given to Egypt and Pakistan has raised question of whether increasing foreign assistance will help America fight terrorism, its number one concern at the moment. The former secretary of state Madeline Albright has said that American foreign assistance program is preparing the people in counterterrorism and strengthening democracy. It has been able to achieve a number of goals that are a part of American national security. (Congressional Quarterly Researcher 2002: 382).

The attacks also changed the nature of the relation between United States and Pakistan. By year 2000, Pakistan after more than 53 years of independence was still struggling to find a stable political system and an economic infrastructure that would generate sustainable development and improve the quality of life for its people. From the United States perspective, Pakistan was moving closer to a “failed state” case and its nuclear and missile programs were a constant concern for policy makers in Washington. A failing economy could easily lead to another coup backed by the Islamists and the country could
fall in fundamentalist hands along with its arsenal of nuclear weapons. With this scenario in view, the United States administration more or less supported the Musharraf regime in its efforts to build a more stable economy in Pakistan. (Hilali 2002: website).

However, as a consequence of the American led war in Afghanistan, Pakistan has become a key partner of the United States in its campaign against al-Qaeda, by allowing the staging area for the war in Afghanistan. The United States, in fact has publicly stated that it considers Pakistan one of its most important allies in the “war on terror.” The report of the 9/11 Commission identified the government of President Musharraff as the best hope for stability in Pakistan and Afghanistan, and it recommended that the United States make a long-term commitment to provide comprehensive support for Islamabad so long as Pakistan itself is committed to combating extremism and to a policy of “enlightened moderation.” In passing the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108-458), Congress endorsed this recommendation by calling for United States assistance to Pakistan to be sustained at a minimum of Fiscal Year 2005 levels and requiring the President to report to Congress within 180 days of enactment a description of a long-term United States strategy to engage with and support Pakistan. (Kronstadt 2005 b). Since 2001, the United States has contributed more than $15,000 million to Pakistan, of which more than $10,000 million has been security-related assistance and direct payments. (Senator John Kerry and others 2009: website).11

Immediately after the terrorist attacks on the World Trade Center and the Pentagon, the United States sought to build a coalition that included Muslim states. In perhaps no corner of the world does the counterterrorism paradigm have the potential to transform American policy more than in the Middle East and South Asia. The Bush administration signaled its intention to keep the Middle East a region of priority but they indicated that their priority in the area would include Iraq and the efforts to re-establish a stable democratic state there. The administration’s Middle East Arms control initiative was aimed at halting the proliferation of conventional and unconventional weapons in the

11 The Bill has been sponsored by Senator John Kerry along with eleven other legislatures. The full text of the bill is available at http://www.govtrack.us/congress/bill.xpd?bill=s111-962
region. (Congressional Quarterly Researcher 1999: 288). It was clear that the American foreign assistance policy, its root and its future had irrevocably moved from strengthening humanitarian assistance to that of strengthening military ally. Further it seems to be more inclined to view assistance as a public recognition and reward to the recipient countries, in this case, Egypt and Pakistan.

From being a voluntary transfer of resources from one country to another, given to at least partly benefit the recipient country, the war on terrorism, pushed the United States government to view assistance programs as vital to American national security. Some would suggest that security aspects may be even more salient than gaining commercial access aspect. Viewed in this context both economic and military assistance provided by the United States to both Egypt and Pakistan reveal decisions made increasingly for reasons of geo politics and combating terrorism. It may even be worth while to argue that even if the interest of the United States and the recipient countries diverged, the relationship would continue to be based on American assistance, revealing that both sides have deeply pragmatic and not necessarily ideological commitments to the relationship.

In the current context, the administration of President Obama too, is conditioned by the same factors that pushed the previous administrations to promote assistance as a policy tool to achieve American objectives. However, there now seems to exist a set of forces on either side that want America to continue to engage with Egypt and Pakistan through the assistance programs. However, they also want certain reform process to be part of this initiative. Both the 111th Congress and the Obama Administration have expressed interest in foreign assistance reform and are looking at ways to improve and strengthen the USAID, coordination among implementing agencies, and monitoring effectiveness of assistance activities. (Epstein and Wood 2009: 1).

In yet another instance of balancing in the creation of a durable partnership a bill was introduced by Senator John Kerry, a democrat from Massachusetts titled the ‘Enhanced Partnership with Pakistan Act 2009’. This bill sought to authorize appropriations for fiscal years 2009 through 2013 to promote an enhanced strategic partnership with
Pakistan and its people, and for other purposes. The purpose of assistance according to the bill is 1) to support Pakistan's paramount national security need to fight and win the ongoing counterinsurgency within its borders in accordance with its national security interests; (2) to work with the Government of Pakistan to improve Pakistan's border security and control and help prevent any Pakistani territory from being used as a base or conduit for terrorist attacks in Pakistan, or elsewhere; (3) to work in close cooperation with the Government of Pakistan to coordinate action against extremist and terrorist targets; and (4) to help strengthen the institutions of democratic governance and promote control of military institutions by a democratically elected civilian government. (Senator John Kerry and others 2009: website).

The bill states, among other things, that it is United States policy to: (1) support the consolidation of democracy in Pakistan; (2) build a long-term relationship with Pakistan; (3) further the economic development of Pakistan by expanding bilateral engagement with the government of Pakistan. Prohibits funds from being made available to Pakistan unless the Pakistan Assistance Strategy Report has been submitted to the Senate Committees on Appropriations and Foreign Relations and the House Committees on Appropriations and Foreign Affairs (Committees). Limits funds to Pakistan after fiscal year 2009 unless the President's Special Representative to Afghanistan and Pakistan certifies to the Committees that assistance to Pakistan has made or is making substantial progress toward achieving United States assistance objectives. Authorizes the Secretary of State to waive such funding restrictions for reasons of U.S. national security. Expresses the sense of Congress that: (1) subject to an improving political and economic climate in Pakistan specified FY2014-FY2018 funds should be authorized for Pakistan; (2) security assistance should be provided in close coordination with the government of Pakistan and be geared toward bolstering counterinsurgency capabilities to defeat the Taliban-backed insurgency and deny popular support to al Qaeda and other Pakistan-based foreign terrorist organizations etc. Limits certain military assistance (as of FY2010) and arms transfers (as of FY2012) to Pakistan until the Secretary certifies to the Committees that Pakistan's security forces: (1) are making concerted efforts to prevent al Qaeda and the Taliban and their associated groups from operating in, or basing attacks.
into Afghanistan from Pakistan's territory; and (2) are not materially interfering in Pakistan's political or judicial processes. Authorizes the Secretary to waive such funding restrictions for reasons of U.S. national security. Directs the Secretary to report annually to the Committees regarding the progress of Pakistan's security forces. The bill also states that with exception this act shall stay in force till 2013. (Senator John Kerry and others 2009: website).

The bill has been introduced and has been passed by the senate. While this act continues to invite criticism from home and abroad, it is clear that United States assistance policy remains fixed on these two countries as overwhelming importance from these two countries.

Conclusion

Egypt and Pakistan play a key role in America's Global War on Terrorism and in fostering regional stability by acting as dependable alliance partners. Egypt also offers its invaluable support to the Middle East Peace Process. Funding under the Department of Defense Counterterrorism Fellowship Program provides the Government of Egypt the ability to maintain its counterterrorism framework in supporting Operation Enduring Freedom. Since 9/11, Egypt has granted over-flight permission for a large number of American military fighter planes and the planes of the coalition partners. It has granted permission for the passage of over eight hundred American Navy ships. Pakistan on the other hand is the front line state for the United States in this war against terrorism. According to the Departments of State and Defense, Pakistan has accorded the United States unprecedented levels of cooperation by allowing the United States military to use bases within the country, helping to identify and detain extremists.

As a return for the assistance that Egypt and Pakistan have been providing the United States, America has supplied the two with numerous incentives. Egypt has been replacing its outmoded Soviet-era equipment with smaller quantities of more capable and sustainable American equipment. Increasing the amount of American origin equipment in
the Egyptian inventory augments America’s interoperability with Egypt. Assistance to Pakistan has been provided so that it is able to modernize its equipments and buy weapons and hard ware for anti-terrorist operations. It also enhances Egypt’s and Pakistan’s value as coalition partners. Also, it increases Egypt’s negotiating powers within the Arab world so much so that Egyptian officials and businessmen visited Israel in early 2005 to discuss the creation of Egyptian-Israeli qualified industrial zones (QIZs), which would give them free trade access to American markets. They seek to emulate Jordan's example, the most successful example to date of United States-Arab free trade (Orbach 2004: website). The assistance also boosts Pakistan’s standing in the world community and brings much needed attention to its economic and political development. For the United States the military capabilities and personals of the two countries, funded and trained under the foreign military assistance programs improve counterterrorism operations and also improve understanding between the militaries which is essential if the war on terrorism has to achieve success.

Egypt is and will remain a strategic ally for the United States. Egypt has been at peace with Israel for over two decades. Its strategic location and control of the Suez Canal make it a critical transit point for general commerce, and petroleum shipments, as well as for transiting American forces. The importance of Egypt’s cooperation for Suez Canal access and security, as well as over flight clearances cannot be overstated (Bureau of Political-Military Affairs Department of State 2005: website). Pakistan is also a strategic ally for the United States. In contrast to Egypt, it has a turbulent relation with its immediate neighbour. However, it lies on the crossroads of energy rich Central Asia, Oil rich Persian Gulf, and the growing economies of South Asia.

Examination of official documents of the United States reveal that the America like all other countries, seeks to make a foreign policy that is in accord with its interests. In the American articulation, its diplomacy in the 21st century is based on the fundamental beliefs that its freedom is best protected by ensuring that others are free; American prosperity depends on the prosperity of others; and American security relies on a global effort to secure the rights of all. The United States has also publicly stated that it has
immense responsibility to use its power constructively to advance security, democracy, and prosperity around the globe and will pursue these interests and remain faithful to its beliefs.

The principal Cold War justifications for foreign assistance have vanished with the disintegration of the 'red army threat', thus it is understandable that the levels of assistance especially foreign military assistance would fall. However, there is still a rationale for continuing with foreign assistance programs. In the post cold war environment they were used for strengthening American presence abroad, assisting newly democratic countries, maintaining ties with old allies and key friends. (Lindsay & Ripley 1997:233 & United States HOR, Subcommittee on Middle East and Central Asia of the Committee on International Affairs, Hearings 2009). In recent years, America has linked its foreign assistance programs to the support to fight and end terrorism. The United States has invested huge amounts of financial capital and has used foreign assistance diplomacy as a key instrument for protecting its interests and promoting its policies in both the Middle East and South Asia. Regionally, foreign assistance, especially military assistance continues to be synonymous with the Middle East. Israel and Egypt are the largest recipients of assistance from the United States. Since 1973, America has provided the region with assistance that exceeds $100 billion. Pakistan is the third largest recipient of United States military and economic assistance. Nonetheless, the United States has to understand that while foreign assistance from Washington represents the tangible manifestations of United States' political and security guarantees, underwriting peace is not the same as buying peace. (Lasensky 2004: 233).

With Egypt, the administration positioned that the search for a comprehensive Middle East peace remains a part of the bi-lateral relations with Egypt. Annual assistance policy of $1.9 billion in the year 2004 is part of the American strategic engagement with Egypt who is expected to play a role with respect to Iraq, promotion of regional economic activities and support for the War on Terror (United States HOR, Subcommittee on Middle East and Central Asia of the Committee on International Affairs, Hearings 2009). Assistance is central to Washington's relationship with Cairo. The money is seen as
bolstering Egypt's stability, support for United States policies in the region, United States access to the Suez Canal, and peace with Israel. (Levinson 2004:website). As Assistant Secretary for Political and Military Affairs noted, the twenty five year legacy of strong United States-Egypt military relations would continue to advance United States strategic interests. He outlined how a non NATO ally (since 1996) has been a strategic partner of United States governmental regional stability objectives in the Middle East. He cited Egyptian support in Operation Enduring freedom (OEF), Operation for Iraqi Freedom (OIF) and the Road-Map for peace as evidence of the continuation of United States assistance policy. Security assistance is the 'bedrock' of American political military relations with Egypt and provides strategic benefit to America. Also in place are the annual Military Cooperation Committees (MCC) chaired by the Secretary of Defense. These meetings are seen as the 'core elements' in the strategic dialogues that discusses the challenges of working together. Assistance is also vital for Islamabad. For Pakistan American assistance is seen as a guarantee to sustain its military edge over its neighbors and deter any potential adversaries and to boost its economic growth. For American policy makers assistance to Pakistan is seen as a way to the United States to remain engaged with Pakistan, not only to meet its current challenges, but its future challenges as well. Future American interests in the region may be defined, not just by the looming strategic shadow of a resurgent China, but also of India and possibly of Russia.

The challenge for American foreign policy is to understand its strength and develop it into something long-term, a world where its way of life is secure and universal. The values it promotes are embraced as principles, not exceptions nor are they seen as threats to existing morals. George Kennan stressed over five decades ago one of the major weapons in American foreign policy arsenal was "the cultivation of solidarity with other like-minded nations on every given issue of foreign policy." In the post-Cold War world, it still is (Howard 2009: website). The role of Congress in foreign assistance should expand, according to many of the studies reviewed. In addition to holding more foreign aid hearings, holding them earlier in the legislative process, and conducting greater oversight to encourage more effective coordination of policy and programming, are desirable. Congress should become involved early in the budget process, negotiating with
the executive branch on funding levels before the budget arrives on Capitol Hill early each year. The 111th Congress is considering the wide array of foreign aid reform possibilities and will decide which path it thinks United States foreign assistance should take. It should be noted, however, that given the current economic environment and budget constraints along with the numerous other major concerns, such as two wars, health care, energy policy, and global warming, some members in the 111th Congress may prefer a continuation of the existing foreign assistance structure with minor modifications and increased or adjusted resources where possible.

In conclusion, the United States must actively engage Egypt and Pakistan to promote regional peace, and economic development and help it overcome the overwhelming levels of anti Americanism that is reaching in these nations. A strong United States public stance supporting the process of democracy without focusing on any one particular leader or party would help America’s relations with both the countries.