EU-PAKISTAN RELATIONS: AID AND ASSISTANCE TO PAKISTAN FOR DEVELOPMENT SINCE 9/11

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ABSTRACT

In 2012, EU-Pakistan celebrated 60th years of their diplomatic relations. The celebration also marked a new beginning in various fields, particularly strengthening of economic and democratic institutions in Pakistan. The aid and assistance program that has been offered by the EU is for the development of Pakistan’s economy, which would help Pakistan to strengthen itself in South Asia. Numbers of projects that have been initiated by the EU are to strengthen the Pakistan’s society such as in the 2009 EU Action Plan for Afghanistan and Pakistan, which was grounded on the rule of law, rural development and promoting sub-national governance. Similarly, in 2012 the WTO waiver and Pakistan’s axis to EU market can ensure Pakistan’s development on economic grounds and made it self sufficient rather than to rely on aids in future as well. The paper also discusses the objections of other countries on waiver and Pakistan’s axis to EU market, viz-a-viz Pakistan’s growing tilt towards EU made US vulnerable of its future relation.

KEYWORDS: European Union, Generalized System of Preferences, Trade, Development, Indian Factor

1 INTRODUCTION

Since 9/11, the world order has taken major shifts and alters shape of the international politics, as it was decades ago. Pakistan becomes the epic centre of all the contemporary politics and the world has realized the importance of strategic depth which Pakistan has. On the one hand, however, both the Pakistan’s Foreign Minister Ms Hina Rabbani Khar and Chief of Army Staff Pervaiz Kayani have rejected the very concept of strategic depth and its constraints and compulsions in which Pakistan’s foreign policy should and must be formulated and carried on. While on the other hand the world is still focusing on the importance of the notion of Pakistan’s strategic depth. Therefore, what we are witnessing at large is the Europe’s increasing interest in the region, particularly to help out Pakistan in its development program so that it would be able to come out of the clutches of the current wave of extremism, as Pakistan is the foremost and direct victim of the War on Terror. The presence of Osama bin Laden on Pakistani soil, the current struggle of Pakistan’s armed forces in the areas such as FATA and Baluchistan is the pertinent examples that how much Pakistan has been plagued with the War on Terror and alone it is very difficult to wash the strains of terrorism from the soil of Pakistan. The EU has come forward in recent years with the aid and assistance programs to take out Pakistan from the clutches of strong wave which has weakened its stability and peace at large over a decade (Munazza Khan: 2012).

The year 2012, also marked the celebrations of diplomatic relations between the EU and Pakistan. At this occasion Pakistan is looking forward to improve its ties and enhance its relations further into economic, political and all other areas of interests. EU, vis-à-vis has forwarded its hands of aid and assistance along with trade openings for Pakistan. The EU was always been generous towards Pakistan. It not only provided aid to handicap Pakistan for its future, rather it tries to establish and proposes such plans for the development which would help Pakistan in the long run to strengthen its democratic institutions. In this article I would like to highlight some of the aspects of the relationship between EU and Pakistan vis-à-vis its implications on India and US with respect to its trade ties.

1. RATIONALE OF EU

EU foreign policy is guided by the principle of Universalism. For countries and regions beyond its neighborhood, the EU strikes a delicate balance between genuine universalism and the prioritization of specific geographical areas where the action of the Union can make a difference and where its responsibility is at stake, to prevent mass violence, supporting democratic regimes under threat, or

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establishing and strengthening democratic regimes and institutions or in the event of a serious challenge to international security (Álvaro de Vasconcelos: 2010). This foreign policy prioritization is based on effectiveness and common interest of the EU member states in avoidance of short term interests of its members (Álvaro de Vasconcelos: 2010). The Treaty of Lisbon, also stated clearly in this regard, that the action oriented policies must be in compliance with the principles which have guided its own creation, development and enlargement. Therefore, the EU also wants to pursue those policies for itself and “seek to advance in the wider world” (Álvaro de Vasconcelos: 2010). These include principles of the UN Charter and International Law, promoting multilateral solutions to common problems. Thus, EU proposes these principles in 2003 and its implementation confirmed by the 2008 report, through the European Security Strategy report, which refers to an international order based on effective multilateralism as a strategic objective of the Union.

On the basis of this strategy, EU also endorsed an EU Action Plan for Afghanistan and Pakistan in October 2009. The Action Plan grounded on the rule of law, rural development and promoting sub-national governance. The EU has always pursued a far better strategy than unilateral military operations led by the US. EU forges political consensus in lieu with the principles and values guided by the Lisbon Treaty on the basis of which EU’s decision of aid and assistance for development in any part of the world based on contributing to effective multilateralism which in fact calls for a depolitisation of assessments on the basis of which political decisions are taken as well as for some form of accountability at the EU level (Álvaro de Vasconcelos: 2010).

2. PAKISTAN: INTERESTS AND EXPECTATIONS

There is a need to understand that the regional peace cannot be achieved until major internal issues of Pakistan are not addressed. Growing extremism and deteriorating economic conditions have also brought terrorism at home. Many terrorist groups are operating within South Asia and Central Asia. But the condition of Pakistan became more critical the time it went into the venture of War on Terror. Pakistan’s economy has been affected severely. The pace of development is very low. Today, Pakistan is fighting a war internally, but at the same it is unable to cater the needs of internally displaced persons (IDPs) all because of economic drawback.

European powers wanted to withdraw its forces from the region by 2014 but the dream couldn’t approach its final position yet. There is a deep requirement for EU to revisit its policies and strategies towards Pakistan and there is a need to view Pakistan not only from the prisms of Afghanistan. With the second largest Muslim population on Earth (more than 190 million people), a growing arsenal of nuclear weapons and serious internal challenges, Pakistan’s significance to world peace and stability is indeed much greater than that of Afghanistan (Patryk Kugiel: 2012).

With the presence of Osama bin Laden, the world had viewed Pakistan with doubt. Over the years, the terrorist plots have been ending up in linking those terrorists from Pakistan, religious extremism, illegal drugs, organized crime and regional instability, all these factors are also impacting on the regional peace and security of Europe. Therefore, there are possibilities in front of the world; first is that if Pakistan would be able to find its path to development it could become an emerging middle power (Patryk Kugiel: 2012), however, if it moves in the opposite direction and descends into further political and societal mayhem, it will need much more aid and assistance to get rid of the epidemics of terrorism and extremism than today.

A peaceful, secured, democratically strong and prospering Pakistan is in the best interests of the EU and the world. Pakistan is looking forward for its good relations with the EU, particularly for economic and strategic reasons. The EU is already Pakistan’s largest trading partner estimated 21% of its exports (n.d.). EU also caters support and investment in technological and infrastructure sectors vis-à-vis reduction in tariffs. The other very important aspect is a strategic partnership with the EU. Pakistan would be better able to improve its international standing through a potential alternative Western ally to the US. Pakistan would be able to balance the situation as EU has extended its similar partnership with India as well (n.d.).

3. HISTORY OF EU-PAKISTAN RELATIONS

European Commission has been engaged in various projects and programs of worth more than €500 million from the very beginning of its cooperation with Pakistan since 1976 (according to Wikipedia). The Commission was always been dedicated to the development, for which it initiated various projects to boost the development by both means, i.e. betterment of infrastructure and social development. 1980s saw some
development projects including development of roads, bridges, a fishing harbour facility, rural electricity infrastructure, livestock, education, vocational training and integrated rural development. The European Union in particular, and all European countries are the strongest advocates of human rights and social welfare. This was also evident in 1990’s. When commission made efforts to strengthen, modernize and develop the social sector in Pakistan. It helped and supported, whether they are large or small scale, NGOs to penetrate in those fragments of the society, which were out of the reach of government including population welfare, child labour, income generation, drug demand reduction and rural health. The focus of the EU in that decade was primarily on human development and environmental degradation in compliance with the political structure of the country. With the help of the European Commission, Pakistan, whose prime focus was on hard power politics and developing its nuclear arsenals, also tilted it’s focused on human development. It initiated educational programs at provincial level.

4. POST 9/11

Pakistan became the epicentre of the world in post 9/11 era. The doctrine of strategic depth enhances the importance of Pakistan in the world. Therefore, there was immense pressure on Pakistan to take active part in the US led –War against Terrorism. Pakistan has faced multiple squeezes due to its central position in the region vis-à-vis its partnership in the war against terrorism. Pakistan, itself, has suffered from the extreme waves of terrorism from the extremist Jihadist groups within and without the state. The integrity and stability of the country was at stake. At that crucial moment, Pakistan needed support from the world to deal with the degradation and destabilization it was facing. The European Commission has realized the importance of Pakistan and also realized that how crucial it is to support Pakistan, if the EU wanted peace and stability at home. Therefore, the Commission supported Pakistan through € 50 million for financial service reforms and to support the development of micro-finance SMEs. According to Country Strategy Paper for 2007-2013 published in collaboration with the Pakistan European Community, in the period from 2002 to 2006, commission allocated €75 million country’s development and economic cooperation.

5. EU AID AND ASSISTANCE DURING NATURAL CATASTROPHE

Pakistan, since last few years, has been the victim of devastating natural catastrophe. Starting from the October 2005 earthquake to the floods of 2011, Pakistan has faced severe challenges to deal with the reconstruction and supporting its people who have been suffering from those natural calamities. Along with various other countries, the EU moved forward towards Pakistan. The commission proposed an assistance package of € 93.6 million, consisting of both humanitarian aid (€ 43.6 million) and reconstruction support (€ 50 million) for commissioning in 2005. Substantial assistance was also provided under other thematic budget lines, including for Afghan refugees in Pakistan. Under its environment cooperation policy, over the last decade the EC contributed a total of € 32 million to rehabilitate, management and conservation of natural resources, safeguarding and conservation of biodiversity, education and capacity-building through sustainable resource management with the involvement of local communities. A major target areas included upland areas of Punjab and Khyber Pakhtunkhwa (KP), benefiting more than 2 million people. The EU Commission had proposed the Emergency Autonomous Trade Preferences (ATPs) for Pakistan offered in the aftermath of the devastating 2010 floods. The package included tariff free export of 75 Pakistani products to EU markets for three years. The package also got WTO waiver (Gareth Chappell: 2009).

6. CURRENT INVOLVEMENT

Many shifts and alterations have been made in the foreign policy of Pakistan since the democratic government has come in Islamabad. The recent government focused on the betterment of its diplomatic vis-à-vis trade relations with key states throughout the world including India. The EU was always been of great importance for Pakistan. The EU provides one of the biggest markets in the world and greater opportunities for import and export. The diplomatic and economic ties, between the two, were at their worst since Pakistan became one of the major participants of war against terror. However, there were serious setbacks on different occasions due to which the relations between the two entities struck badly, either in the face of sanctions imposed on Pakistan or diplomatic accusation.
The row came as Wajid Shamsul Hasan, Pakistan’s high commissioner, wrote: "One would have wished that the prime minister would have considered Pakistan’s enormous role in the war on terror and the sacrifices it has rendered since 9/11" (Robert Mackey: 2010). The allegations made by David Cameron were more of relied on the information leaks and the bilateral visit between India and Britain would be achieved without destructing the prospects of regional peace and stability (Nicholas Watt: 2010).

However, later on Lady Ashton, the EU’s foreign policy chief, has tried to undo the damage to EU-Pakistan relations. Many efforts were made on higher level to smoothen the relations between the two in post-flood period, when there were great chances that flood could further devastate and destabilize the country. On the basis of this blow to the relationship between the two, the high representatives from EU felt the necessity to establish a long term plan which would be coherent and sustainable strategy to deal with EU-Pakistan relations for the long term. Pakistan and the European Union have agreed to the establishment of a Pak-EU Steering Committee on Counter terrorism, for prospect cooperation of both on curbing terrorism. It was, however, been recognized that Pakistan has made enormous sacrifices and its land and its people has suffered immensely from terrorism. The loss, though which Pakistan is moving, is unimaginable. The need is to recognize the importance of peace and stability in the region with the commitment for an Afghan-led and Afghan owned peace process, which is not possible without support of international community.

The EU and Pakistan has enhanced their cooperation and commitment to fight terrorism. The need to combat terrorism has brought EU and Pakistan much closer for Pak-EU Strategic Dialogue for the first time. On the occasion, Pakistan and the European Union reaffirmed their commitment to fight terrorism.

7. TRADE: A TOOL TO DEVELOPMENT

Bringing economic stability and development to Pakistan is vital in order to tackle the root causes of poverty and conflict (Javeria Solana: 2007). Pakistan’s economic prosperity and stability is hostage to its trading ties with emerging economies, such as India and China, and access to big markets (Munazza Khan: 2012). EU is one of Pakistan’s top trading partners. The EU accounts for 20% of Pakistani external trade with Pakistani exports to the EU amounting to €3.4 billion, mainly textiles and leather products) and EU exports to Pakistan amounting to €3.8 billion (mainly mechanical and electrical equipment, and chemical and pharmaceutical products.

Since 2001, EU policy is to stay constructively and strongly engaged with Pakistan and to make a significant and visible engagement, both in political and economic terms. Measures include resumption and upgrading of political dialogue, signature of a 3rd Generation Co-operation Agreement, as well as additional development assistance (Summary of the Treaty).

To enhance Pakistan’s capability on WTO matters, EU launched an assistance program in 2004 to reform procedures and processes for trade facilitation in accordance with EU policies and values (Munazza Khan: 2012). In this regard, we cannot undermine the amazing step of obtaining WTO waiver for Pakistan, following the dreadful floods. This would certainly help Pakistan to access and enhance greater gains from EU’s markets.

Pakistan and European Union also moved forward to implement a new Five Year Engagement Plan which attempts to strengthen vis-à-vis diversify their traditional relations of donor and recipient and enhance their cooperation and partnership in other areas of mutual concerns. The Dialogue (2012) provided an opportunity to review EU development cooperation including the broad parameters of the second EU Multi-annual Indicative Program (MIP) for 2007-2013, which included projects for rural development and natural resource management, education and human resource management, governance and human rights, and trade development.

The European Union also reiterated its commitment for area-based community development, particularly in the Malakand Division. Appreciating the steps taken by Pakistan in implementing its international human rights commitment, High Representative Ashton said both sides would further work closely in this regard. EU is also benefitting Pakistan from its Generalized System of Preferences (GSP), according to which Pakistan would receive duty free treatment from the year 2014.
The concessionary access which Pakistan achieved in 2002 lasted for three years later on (Javeria Solana: 2012). Pakistan has been attempting for similar arrangement. The scheme would replace the current GSP scheme from January 2014, under which, some of the existing criteria for GSP Plus beneficiaries have also been changed. Most significantly as per the new criteria a country will be eligible for GSP Plus only if its GSP covered exports to the EU account for less than 2% of the EU’s total GSP imports, instead of the 1% applied currently. This increase in criteria from 1% to 2% will make Pakistan and a few other countries eligible to apply for GSP Plus, provided they fulfill the conditions, such as the commitment to effectively implement 27 international conventions relating to good governance, human rights and sustainable development etc.

On the occasion of 50th anniversary of diplomatic relations between both entities, EU and Pakistan realized the need for much closer economic and business ties between the two. EU has recognized Pakistan’s efforts for its liberalizing trade policies with India.

The EU’s 27-member states are engaged in development programs with a total a value of 750 million euro. Over the last four years the EU’s humanitarian agency, ECHO, provided over 370 million euro in humanitarian aid to Pakistan, making it the number one international humanitarian actor in Pakistan. EU is still working on to increase its investment to empower local communities in Pakistan which are threatened or victimized by militancy and extremism.

European Union can be an important player in peace and development as it is also an ally of US in war against terrorism. EU’s support and assistance to Pakistan in crucial times is of great importance as it can be a major source of direct investment in future, which would be a great opportunity for Pakistan to boost its economy.

Trade between the EU and Pakistan comes under the purview of an EU-Pakistan Joint Commission, which was established in 2007 to discuss trade policy developments and individual market access issues which accommodate trade and to lay a platform for reinforcing economic and political ties (Nadia M. Abbasi: 2009).

Pakistan’s exports are dominated by textiles and clothing. Exports of textiles and clothing to the value of the € 2.6 billion entered the EU from Pakistan in 2007, about 80 per cent at a preferential tariff rate. Currently, efforts are under way to broaden the base of the export profile and reduce reliance on the textiles and clothing sectors (Saman Kegama: 2012).

The EU has supported Pakistan’s efforts to integrate into the global economy by granting Pakistan’s exports to the EU reduced tariffs under the EU’s Generalized System of Preferences (GSP). This allows almost 20 per cent of Pakistan’s exports to enter the EU at zero tariffs while a further 70 per cent are allowed to enter at a preferential tariff rate (Nadia M. Abbasi: 2009).

The EU has also provided Pakistan with substantial humanitarian and development aid – worth EUR 500 million since 1976 – for a mix of infrastructure and social development projects and to boost financial sector reform and promote small and medium-sized enterprises (SMEs). Nonetheless, there have been major ups and downs in relations between the EU and Pakistan depending on whether the latter has been under military or civilian rule.

The EU imports textiles and clothing with a value of EUR 3.5 billion annually, but EU anti-dumping investigations has strained the trading relationship. Pakistan is unhappy about its exclusion from the EU’s GSP-plus scheme since the EU restored the system after India won a World Trade Organization dispute panel against Pakistan’s inclusion in 2005. Pakistan argues that it is now subject to higher tariffs on its exports of textiles and other products to the EU compared with other South Asian countries, some of which enjoy duty free access to the EU market. Unless all South Asian countries operate on a ‘level playing field’, Pakistan fears that EU investors and importers will move into Bangladesh or Sri Lanka, which have duty free access to the EU market, or to India once the FTA is negotiated (Saman Kegama: 2012). Cooperation with Pakistan dates back to 1974, but the 2004 cooperation agreement paved the way for closer relations. Since the start of its cooperation with Pakistan, the Commission has committed more than €500 million to projects and programs.
The Country Strategy Paper 2007-2013 focuses on poverty reduction, notably through assistance in rural development and natural resources management as well as education and human resources development, notably in the North-West Frontier Province (NWFP) and Baluchistan. The financial allocation for the 2007-2010 periods is € 200 million. Heavy monsoon rain that started late June 2010 triggered the most severe floods in Pakistan in 80 years. The EU immediately provided substantial funds to assist the most vulnerable victims. In March 2012, a new political framework - the EU-Pakistan five year Engagement Plan - was endorsed by both sides. The Plan is intended to take relations to a new level by intensifying dialogues across priority areas including: political cooperation, security, governance and human rights, trade, energy and a range of sectorial cooperation areas.

Table 1: The Major Import Partners

<table>
<thead>
<tr>
<th>Rk</th>
<th>Partners</th>
<th>Mio euro</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>World</td>
<td>30.834,7</td>
<td>100,0</td>
</tr>
<tr>
<td>1</td>
<td>China</td>
<td>4.825,4</td>
<td>15,6</td>
</tr>
<tr>
<td>2</td>
<td>EU 27</td>
<td>4.313,4</td>
<td>13,9</td>
</tr>
<tr>
<td>3</td>
<td>Saudi Arabia</td>
<td>3.821,5</td>
<td>12,4</td>
</tr>
<tr>
<td>4</td>
<td>United Arab Emirates</td>
<td>3.551,2</td>
<td>11,5</td>
</tr>
<tr>
<td>5</td>
<td>Kuwait</td>
<td>1.713,0</td>
<td>5,5</td>
</tr>
</tbody>
</table>

Table 2: The Major Export Partners

<table>
<thead>
<tr>
<th>Rk</th>
<th>Partners</th>
<th>Mio euro</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>World</td>
<td>14.649,0</td>
<td>100,0</td>
</tr>
<tr>
<td>1</td>
<td>EU 27</td>
<td>3.297,6</td>
<td>22,6</td>
</tr>
<tr>
<td>2</td>
<td>United States</td>
<td>2.366,2</td>
<td>16,2</td>
</tr>
<tr>
<td>3</td>
<td>United Arab Emirates</td>
<td>1.725,4</td>
<td>11,8</td>
</tr>
<tr>
<td>4</td>
<td>Afghanistan</td>
<td>1.268,0</td>
<td>8,7</td>
</tr>
<tr>
<td>5</td>
<td>China</td>
<td>651,7</td>
<td>4,4</td>
</tr>
</tbody>
</table>


EU’s Trade Balance with Pakistan

<table>
<thead>
<tr>
<th>Period</th>
<th>Imports</th>
<th>Variation (% y-y)</th>
<th>Share of total EU Imports (%)</th>
<th>Exports</th>
<th>Variation (% y-y)</th>
<th>Share of total EU Exports (%)</th>
<th>Balance</th>
<th>Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>3.459</td>
<td>4,2</td>
<td>0,2</td>
<td>3.761</td>
<td>-11,3</td>
<td>0,1</td>
<td>302</td>
<td>7.220</td>
</tr>
<tr>
<td>2008</td>
<td>3.634</td>
<td>5,1</td>
<td>0,2</td>
<td>3.894</td>
<td>3,5</td>
<td>0,3</td>
<td>260</td>
<td>7.529</td>
</tr>
<tr>
<td>2009</td>
<td>3.329</td>
<td>-8,4</td>
<td>0,3</td>
<td>3.601</td>
<td>-7,5</td>
<td>0,3</td>
<td>274</td>
<td>6.932</td>
</tr>
<tr>
<td>2010</td>
<td>3.828</td>
<td>15,0</td>
<td>0,3</td>
<td>3.730</td>
<td>3,5</td>
<td>0,3</td>
<td>-58</td>
<td>7.558</td>
</tr>
<tr>
<td>2011</td>
<td>4.566</td>
<td>19,3</td>
<td>0,3</td>
<td>3.741</td>
<td>0,3</td>
<td>0,2</td>
<td>-323</td>
<td>8.307</td>
</tr>
</tbody>
</table>

2011Q1  | 1.206   | -                 | 0,2                           | 108     | -                 | 0,2                           | -356    | 2.015 |
2011Q2  | 1.200   | -                 | 0,2                           | 102     | -                 | 0,2                           | -278    | 2.121 |
2011Q3  | 1.189   | -                 | 0,2                           | 947     | -                 | 0,2                           | -242    | 2.136 |
2011Q4  | 971     | -                 | 0,2                           | 1.064   | -                 | 0,3                           | 93      | 2.035 |
2012Q1  | -       | -                 | -                             | -       | -                 | -                             | -       | -     |
2012Q2  | -       | -                 | -                             | -       | -                 | -                             | -       | -     |
2012Q3  | -       | -                 | -                             | -       | -                 | -                             | -       | -     |
2012Q4  | -       | -                 | -                             | -       | -                 | -                             | -       | -     |

Average annual growth (2007-2011): 7,2% (-0,1%) 3,6%

8. EU-PAKISTAN RELATIONS: INDIA AS A FACTOR

India is a strategic partner of the EU and its relations with the EU are far better than that of Pakistan. India stands with EU on the grounds of strategic and business partnership while on the other hand the relations of Pakistan with the EU are always been referred as that of the donor and the recipient. However, with the improving ties with India and granting of MFN status, Pakistan is been able to strengthen and smoothen its relations with India in recent years with the efforts of the democratic government seated in Islamabad. The efforts of seeking better and workable ties with India proved an achievement. One of the important aspects is that India is likely to withdraw its opposition on the controversial trade-aid package proposed by the European Union (EU) for Pakistan, at the General Council of the World Trade Organization (WTO) (Nayanima Basu: 2011). Pakistan can maximize its benefits on 75 products for the European markets for three years and 67 products are allowed axis at no tariff rate. On the remaining eight, tariff rate quotas (TRQ, limited imports at reduced duty) would apply. The package has been initiated with a hope to benefit Pakistan with $300 million per annum (Josy Joseph: 2011). However, the case as expected was not as simple as it appears. As it threatens the market of other competitors in the region. For India, Brazil, Bangladesh, Peru and Vietnam (Munazza Khan: 2012).

Pakistan must realize that Indian and EU ties are limited to their respective constituencies as both the entities are sceptical of each other’s role as a major strategic player in South Asia. The India-EU Free Trade Area agreement had given new momentum to bilateral ties. Now with the absence of even an FTA, the main challenge before policy makers, still, is to strengthen its relations with EU.

9. CONCLUSION

Pakistan poses both challenges and opportunities for the EU. Strategic Dialogue as per the engagement plans would prove a right platform to address the wide and inclusive cooperation on the issues of mutual concern. However, at the first round, both the entities are required to focus on most alarming issues faced by Pakistan i.e. peace and stability, economic and regional cooperation which would pave the way for a successful transition in Afghanistan by 2014 with Pakistan’s productive help. EU is also in a state to address Pakistan’s internal security challenges including growing religious extremism. Apart from US military cooperation and unilateral actions in Pakistan which raised anti-American sentiments among the masses, EU should focus on political and economic support. EU is well positioned to address Pakistan’s weak democratic structure with weak democratic institutions which are the prime source of instability and chaos at home. The EU must continue aid for rural development and education and pay more attention to trade-related technical assistance such as to improve sanitary and phyto-sanitary standards, protection of intellectual rights. More important, the EU can better be able to strengthen Pakistan through trade, granting access to the EU market, GSP and locating FDI in Pakistan. Pakistan not only needed economic aid and assistance but also support to strengthen democratic institutions to ensure strong democratic government in future. All those efforts would help both to earn confidence and good will and popularity amongst the masses. India’s recent withdrawal of its objections to the WTO waiver sought by the EU for granting duty free access to some Pakistani products shows that action at the regional level can indeed bear fruit.

REFERENCES


