

Normalizing U.S.-Pakistan Relations

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Executive Summary

The U.S.-Pakistan relationship is often portrayed negatively among the lawmakers, media, and general public of both countries, with a focus on mutual resentment and dysfunction. The early relationship was burdened by mismatched expectations regarding support in conflicts with India. Different priorities from the start of U.S. involvement in Afghanistan during the 1980s further strained the relationship. The United States also sanctioned Pakistan and India for developing nuclear weapons, which had a disparate impact on Pakistan, causing ongoing tension.

Many in Washington's policy and journalistic communities hold negative views of Pakistan, viewing it as an enabler of terrorism that seeks geopolitical rents but rarely delivers. Pakistanis often resent what they view as Washington's use of the country as a "frontline state" in both the Cold War and the War on Terror, claiming tens of thousands of lives, only to discard it later. These grievances are largely dismissed in Washington as self–inflicted. Despite the negative public debate, serving officials in both governments generally hold a more nuanced view, recognizing the broad overlapping interests shared by the United States and Pakistan in areas like climate change, trade, and counterterrorism.

There is already an exhaustive literature on terrorism in Pakistan, nuclear security, and potential conflicts along the Line of Control with India. This brief will instead focus on revitalizing U.S.—Pakistan relations through innovative diplomacy in areas that have received less attention, such as trade, regional integration, people—to—people connections, and climate change.

Its principal recommendation is that Washington should resist viewing Pakistan through the narrow lens of the "War on Terror" or great power competition. Instead it should pursue its interests through more normalized relations, while recognizing U.S. limitations in influencing events in Pakistan or the region.

This brief offers the following recommendations, some of which are already underway:

Engaged diplomacy: U.S. diplomats face potential threats from non-state actors and mob violence. However, extreme caution limits their ability to engage with Pakistani society and hinders diplomacy and understanding of the country. The State Department should gradually expand diplomats' mobility, especially in the Islamabad Capital Territory, Lahore, and Karachi where safety concerns are less critical than other parts of the country. This will require the Diplomatic Security Service to find ways to balance their mission of mitigating risk with enabling U.S. diplomats to do their jobs. The Department of Defense should ensure that U.S. military officers who complete Islamabad's National Defence University course actually serve in the Defense Attaché Office and work to establish 24-month accompanied tours of duty, akin to their European counterparts.

Support regional integration: Offer alternatives to Chinese security and development models, but do not treat Pakistan as an arena for great power competition. Broadly and privately encourage, but do not mediate or interfere in, bilateral dialogue between India and Pakistan. Utilize Pakistan as a pathway to re-engage with the Afghanistan question and avoid isolating Afghanistan in a way that will increase regional instability with security ramifications for neighboring countries. Adopt a multilateral and pragmatic approach to the Afghan Taliban, which will require Pakistan to leverage its longstanding relationships with members of the Taliban, particularly the Haqqani Network.

Revamp aid and prioritize trade: Conduct a thorough assessment of USAID in Pakistan, including a re-evaluation of local partners and projects, to reconfigure the program with measurable outcomes for improving the lives of Pakistanis. Review how achievements are communicated to ensure understanding among the Pakistani population. Consider investing in initiatives like the United States Information Service (USIS) libraries that

once served as visible symbols of American goodwill in major Pakistani cities. Augment U.S.-Pakistan Trade and Investment Framework (TIFA) meetings by facilitating more private sector engagement focused on increasing the entry of U.S. companies to the Pakistani consumer market, utilizing Pakistan's skilled workers, and investing in startups.

Support climate resilience: Encourage global partners to fulfill pledged aid for Pakistan's recovery from the 2022 floods using U.S. diplomatic leverage. Maintain collaboration through the U.S.—Pakistan Climate and Environment Working Group and the "Green Alliance" Framework and develop eco—friendly policies together. While the fight against climate change is global, Pakistan must take the lead in implementing lessons from past floods to enhance climate resilience in the short term. Washington can assist Pakistan by emphasizing not only green technology but also revisiting the fundamentals of climate resilience: reevaluating community locations and building environmentally safe but affordable structures. It's essential that any aid is directed towards initiatives that can showcase tangible outcomes.

Expand people-to-people exchanges: To enhance people-to-people connections between the United States and Pakistan, collaborate with Pakistani officials to increase visits of U.S. business and investor delegations and add Pakistan as a destination for Fulbright students and the Critical Language Scholarship (CLS) Program. Broadening State Department-funded educational exchanges to include short-term exchanges to the U.S. for students attending Pakistan's public universities can also be beneficial. Currently a Pakistani student from a humble background is more likely to receive opportunities at Chinese universities than to win a Fulbright scholarship. Streamlining the nonimmigrant U.S. visa process, with a focus on B-1/B-2, F-1, and J-1 visas, is essential to reduce the currently high number of seemingly arbitrary rejections.

Brief history of U.S.-Pakistan relations

The United States was an early supporter of Pakistan, providing financial, military, and moral support, while Pakistan played a role in jumpstarting Sino-American relations.¹ Historically, the United States has oscillated between periods of intense engagement and disengagement with Pakistan. Because Washington tends to view Pakistan through the lens of its relationship with another country or conflict, it hyphenates Pakistan with neighboring countries rather than viewing it as intrinsically important. From the 1950s to the 60s, the United States saw Pakistan in the context of the Cold War with the Soviet Union. In the late 1970s and 80s, it became a frontline state in the war against the Soviets in Afghanistan. This changed in 1988, after the Soviet military was defeated in Afghanistan and Pakistan. The United States deprioritized its relationship with Pakistan throughout the 1990s, apart from imposing sanctions after it tested nuclear weapons in 1998. The 9/11 attacks brought Pakistan screeching back into the spotlight as it became a necessary, but less than preferred, U.S. partner in the Global War on Terror. During this period it was viewed through the prism of the war in Afghanistan, which meant that bilateral relations were largely dictated by the ups and downs of the U.S. counterinsurgency there.

Pakistan's hybrid political system

Pakistan's political system is often described as a hybrid regime, blending democratic and authoritarian characteristics. Despite regular elections and democratic institutions like a prime minister, parliament, and occasionally activist judiciary, the military holds significant influence over these bodies and matters related to defense and foreign relations. Censorship, civil liberties restrictions, and extrajudicial detention persist, influenced by both elected and unelected stakeholders. The country's political and business elites engage in an "elite bargain" with the security establishment, with the party in power benefiting the most while the opposition serves as a counterbalance or is

¹ Pakistani President Yahya Khan acted as a mediator between the Nixon administration and China.

marginalized. Politicians who criticize the military while in opposition tend to support it when in power, prioritizing personal and party interests. This dynamic has led many Pakistanis and foreign capitals to perceive the military as more reliable and resilient compared to the shifting alliances, defections, infighting, and nepotism seen in political parties.

On May 9, 2023, former prime minister Imran Khan was arrested outside the Islamabad High Court in connection with the Al–Qadir Trust case, an alleged fraud. However, observers believe the arrest was motivated by Khan's challenge to the military establishment. Khan's supporters held protest demonstrations that damaged military properties, in what the military termed a "black day." Among the properties damaged was Jinnah House, then the residence of Lieutenant General Salman Fayyaz Ghani, formerly Lahore Corps Commander. Several high–ranking PTI members were arrested, while some defected from the party to avoid prosecution.

The effective dismantling of one of Pakistan's most popular political parties is concerning for democracy in the country.

On June 7, 2023, the Inter–Services Public Relations, the media wing of the Pakistan Armed Forces, stated, "it is time that noose of law is also tightened around the planners and masterminds" who allegedly planned the events of May 9.2 Imran Khan's political future is highly uncertain, and his participation in the upcoming elections as the PTI leader cannot happen since he is now imprisoned under a three–year sentence.3 Proceedings are ongoing and it is possible that Khan's sentence may be suspended, but PTI's political influence has waned, despite its popularity, and the security establishment has reasserted itself as the most important pillar of power in the country. The effective dismantling of one of Pakistan's most popular political parties is concerning for

² ISPR Press Release, June 7, 2023, "General Syed Asim Munir, COAS presided over the 81st Formation Commanders at GHQ," https://ispr.gov.pk/press-release-detail?id=6553

³ Umer Burney, "Imran arrested after Islamabad court finds him guilty of 'corrupt practices' in Toshakhana Case," Dawn, August 5, 2023, https://www.dawn.com/news/1768528

democracy in the country. Nonetheless, Pakistan maintains a lively media, civil society, and vibrant political debates.

U.S. interests in Pakistan

Strictly speaking the United States has two vital strategic interests in Pakistan: preventing Pakistan's destabilization (given that it is a nuclear power) and to prevent large—scale nuclear conflict with India (which would destabilize the broader region.) While curtailing climate change is a vital American strategic interest, Pakistan is more of a frontline state in experiencing its worst effects than a primary contributor to it. However, the United States has other interests in Pakistan that are not vital but still significant, either independently or in support of vital interests. These include countering transnational terrorism, fostering regional trade that benefits both countries, climate resilience to bolster Pakistan's stability, and retaining U.S. influence in Pakistan despite the major Chinese presence. A more stable and prosperous Pakistan will have a positive impact on the region and will raise the opportunity costs of conventional war with India while reducing potential triggers.

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The oft-repeated notion that Pakistan is too big to fail is fallacious. Given the pace of climate change and population growth, the idea that Pakistan can continue to exist indefinitely in its current state is untenable. Furthermore, the looming threat of terrorist escalation or conflict along the Line of Control (LoC) means that the status quo could unravel without warning. But the United States has limited influence over Pakistan's governance, local militancy, and, especially, relations with India. Instead, Washington should prioritize areas where it can make a difference, such as climate change, trade and investment, and regional diplomacy related to Afghanistan.

Challenges of the U.S.-Pakistan relationship

Washington faces challenges in advancing long-term U.S. interests in Pakistan due to its location, security environment, and a complex web of frequently changing short-term U.S. objectives. The situation is further complicated by divisions between the White House, Congress, and the Pentagon.

The U.S.-Pakistan relationship during the war in Afghanistan exemplified this dynamic. The George W. Bush administration was torn between rewarding a military autocrat like Pervez Musharraf and the necessity of a cooperative partner for NATO supplies to enter Afghanistan. Addressing Pakistan's support for anti-India terrorist groups like Lashkar-e-Tayyiba, responsible for the 2008 Mumbai attacks, was crucial to avoid potential nuclear conflict. Simultaneously, there was a more immediate need to push for action against armed groups operating on Pakistan's western border with Afghanistan. The Obama administration's desire to provide no-strings-attached support to Pakistan's army for assistance in Afghanistan conflicted with Congress's demand that aid not be used against India. "We wanted to be more specific [than the DoD] in constraining what Pakistan could use this money for. We viewed it as money to assist in a counterterrorism effort," explained former Congressman Howard Berman in a QI interview regarding the Kerry-Lugar-Berman Act, which aimed to provide Pakistan with significant aid over five years.⁴

Pakistan's location at the junction of South and Central Asia and the Middle East presents opportunities and challenges. The Pentagon groups Pakistan with Central Asia and the Middle East under Central Command, while India falls within the Indo-Pacific Command. The State Department includes Pakistan in the Bureau of South and Central

⁴ Howard Berman explained that prior to the Kerry-Lugar-Berman Act, "[w]e would provide them [Pakistan's military] repayment for things they had already done [...] And some of the things they were doing seemed not really focused on Afghan and Pakistan Taliban counterterrorism programs." The Act was intended to ensure greater accountability over the aid but according to Berman, these issues created some tension at the staff level between the Defense Department and the bill drafters about specific requirements, resulting in a compromise with John Kerry and the administration. "We [the drafters] came to a compromise with Kerry and the administration. We had more generalized language and sort of dropped specific kinds of requirements." QI interview, July 26, 2022.

Asian Affairs, along with India, but excludes the Middle East and East Asia. This complex positioning reflects Pakistan's conundrum in a post pivot—to—Asia world. Pakistani officials resent what they believe is Washington's preference for India as an "ally of choice," even when India pursues its own interests that may not always coincide with Washington's preferences. They often ask, "where does Pakistan fit in Washington's Indo—Pacific strategy?" The answer is that it doesn't fit logically in a strategy rooted in countering China. But this should not prevent Washington and Islamabad from finding other areas of cooperation.

The end of the U.S. war in Afghanistan presents an opportunity to focus on achievable U.S. interests in Pakistan. Broader and more normalized U.S.–Pakistan relations can promote Pakistan's development and advance long–term U.S. interests in the country. Pakistani leaders have pushed for a "geoeconomic reset" and several former U.S. diplomats interviewed expressed a desire for enhanced economic and people–to–people ties. Nevertheless, the post-9/11 era is likely to cast a long shadow over U.S.–Pakistan relations.

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From 2008 to 2014, at least 11,583⁵ Pakistanis were killed in terrorism incidents, including in major cities, while entire districts like Swat fell under insurgent control.⁶ This era of violence affected all strata of society; events involving the United States, such as the killing of Osama bin Laden, accidental killing of 24 Pakistani soldiers,⁷ and a

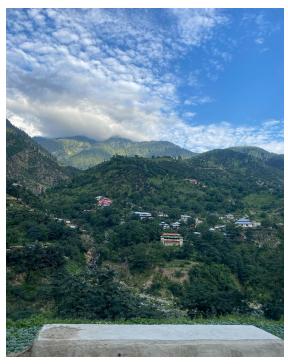
⁵ South Asia Terrorism Portal (SATP), "Datasheet – Pakistan: Yearly Fatalities," accessed August 24, 2023, https://www.satp.org/datasheet-terrorist-attack/fatalities/pakistan

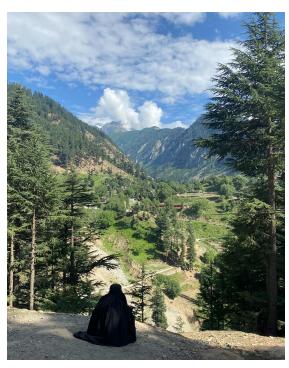
⁶ Diaa Hadid and Abdul Satar, "Once Ruled By Taliban, Residents of Pakistan's Swat Valley Tell Army They Should Leave," *Parallels*, NPR, June 2, 2018,

https://www.npr.org/sections/parallels/2018/06/02/601521263/once-ruled-by-taliban-residents-of-pakistans-swat-valley-say-army-should-leave

⁷ Karen Brulliard, "Pakistani officials say alleged NATO attack kills 24 soldiers," *Washington Post*, November 27, 2011, https://www.washingtonpost.com/world/pakistani-officials-say-alleged-nato-attack-kills-at-least-12/2011/11/26/glQA2mqtxN_story.html.

CIA contractor who shot and killed two Pakistani citizens⁸ sparked outrage and a sense of violation of Pakistan's sovereignty. However, in the eyes of many U.S. technocrats, military leaders, and diplomats, Pakistan bears primary responsibility for its troubles. They point to Pakistan's support for groups like the Haqqani Network, which killed U.S. soldiers in Afghanistan and now enables the Tehrik-e-Taliban Pakistan (TTP) to target Pakistan. Moreover, the fact that Osama bin Laden found refuge near Abbottabad in Pakistan continues to evoke lasting resentment.





Landscape pictures of Swat, Pakistan in July 2022, a district that fell almost entirely under the control of TTP militants from 2008 to 2009 until the Pakistan Army launched Operation Rah-e-Rast. TTP militants have periodically terrorized Swat's residents, including the October 2012 assassination attempt on Malala Yousafzai. While Swat has reclaimed its position as a tourism hub, the TTP is making a resurgence in other parts of Khyber-Pakhtunkhwa. (Photos taken by Adam Weinstein)

Many Pakistanis blame generational terrorism on U.S. intervention and support of past military dictatorships. They feel that the United States does not sufficiently acknowledge their own sacrifices in fighting terrorism. This view is widely held by Pakistani civil society figures and politicians that U.S. diplomats, journalists, and think tankers tend to encounter. Pakistan's masses, however, largely hold the view that their

⁸ Mark Mazzetti, "How a Single Spy Helped Turn Pakistan Against the United States," *The New York Times Magazine*, April 9, 2013, https://www.nytimes.com/2013/04/14/magazine/raymond-davis-pakistan.html

country is a blameless victim of the U.S.—led war in Afghanistan and India's opportunistic meddling. The perception that the United States turns a blind eye to human rights abuses against Kashmiris and Palestinians — a view not entirely detached from reality — only hardens these sentiments.

Resentment towards U.S. interference in the region is often perceived through the lens of colonialism's legacy, although the United States was not a colonial power in South Asia. Pakistani leaders sometimes benefit from using anti–American sentiment for political gain. This tactic can rally support, redirect discontent, or be used to attack other powerful stakeholders. Imran Khan, the former prime minister, made U.S. regime change allegations a campaign slogan, and some view it as a euphemism for military interference. Military dictators, dynastic politicians, and Islamists have all tried to portray themselves as moderates who can control anti–Americanism in Pakistani society to gain favor in Washington. While Pakistan's military is criticized by some in the United States, many still see it as a necessary stopgap against violent extremism and anti–Americanism.

⁹ Afzal described it as "strategic operationalization of anti-American sentiment for political gain." Madiha Afzal, "On Pakistani Anti-Americanism," Brookings, November 19, 2013. https://www.brookings.edu/opinions/on-pakistani-anti-americanism/

¹⁰ During an interview with Axios broadcast June 21, 2021 on HBO, journalist Jonathan Swain asked then prime minister Imran Khan if Pakistan would hypothetically allow the CIA to use bases on its soil to launch operations, to which he emphatically responded, "absolutely not." This response later became a campaign slogan along with allegations of a U.S. regime change conspiracy.

Jonathan Swain and Zachary Basu," Pakistan PM will 'absolutely not' allow CIA to use bases for Afghanistan operations," *Axios*, June 18, 2021, https://www.axios.com/2021/06/18/imran-khan-interview-cia-afghanistan-bases
¹¹ Outside observers sometimes express concern about the presence of Islamists in Pakistan's armed forces, but they often fail to differentiate between pro-state and anti-state Islamism.

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Some degree of antagonism toward Washington will be a feature of any democratic Pakistan. On July 24, 2023, during a press briefing, U.S. State Department Spokesperson Matthew Miller once again denied Washington's involvement in removing Imran Khan from office, stating, I feel like I need to bring just a sign that I can hold up in response to this question to say that that allegation is not true. In large August, The Intercept published what they claimed was a diplomatic cable written by Pakistan's former ambassador to the United States, Asad Majeed Khan, documenting a conversation with Donald Lu, the U.S. Assistant Secretary of State for the Bureau of South and Central Asian Affairs. The contents of the alleged cipher suggest that Lu communicated that U.S.-Pakistan relations would improve if then-prime minister Imran Khan were removed by a no-confidence vote. Lu's alleged assessment may very well have been fair, and signals from Washington are taken seriously by Pakistan's military establishment, which seeks to balance its relationship with and dependence on both the U.S. and China. However, as mentioned earlier in this brief, Washington is unable to

https://www.jstor.org/stable/1045758?searchText=anti-americanism&searchUri=%2Faction%2FdoBasicSearch%3FQuery%3Danti-americanism%26so%3Drel&ab_segments=0%2FSYC-6294%2Fcontrol&refreqid=fastly-default%3A549df485bc85c82dd0507d6f1ecfdb4f&seq=1

¹² A 1988 journal article cautioned that "American elites, especially Congress and the media, must be sensitized to the reality that exists in other political systems [...] there is no advantage in a Third World elite being openly pro-American, because [...] to identify themselves thus would enormously increase their vulnerability to opposition groups whose main aim may be power and not stability or development." Third World is no longer the correct classification but the observation rings true for parts of the contemporary Global South. It also holds true even when bilateral relations are close or the politician is dependent on the U.S. for support, but it is a reality Washington is yet to fully accept. For instance, while former Afghan President Hamid Karzai openly criticized U.S. actions in Afghanistan, his successor Ashraf Ghani's strong pro-American stance and compliance (albeit inconsistent) with U.S. directives made him appear like a puppet. This partly explains why Karzai stayed in Kabul, while Ghani fled. Alvin Z. Rubinstein and Donald E. Smith, "Anti-Americanism in the Third World," *The Annals of the American Academy of Political Science*, vol. 497 (May 1988): 35–45,

¹³ Matthew Miller, U.S. State Dept. Spokesperson, Department Press Briefing, July 24, 2023, https://www.state.gov/briefings/department-press-briefing-july-24-2023/

¹⁴ Ryan Grim and Murtaza Hussain, "Secret Pakistan Cable Documents U.S. Pressure to Remove Imran Khan," *The Intercept*, August 9, 2023, https://theintercept.com/2023/08/09/imran-khan-pakistan-cypher-ukraine-russia/

coerce Pakistan's military establishment, let alone its lawmakers, into taking an action they do not wish to pursue. The primary driver of Khan's removal was likely his challenge to the security establishment and opportunism of his political opposition. Differences aside, Pakistan's security establishment and mainstream political parties, including PTI, all desire positive relations with the United States. However, Washington's hyphenation of Pakistan with other countries and Islamabad's comparatively lofty expectations have led to a volatile relationship. Both countries would benefit from having more realistic expectations of the other. The primary driver of Khan's removal was likely his challenge to the security establishment and opportunism of his political opposition.





Left: PTI supporters gather in Islamabad to hear then prime minister Imran Khan speak on March 27, 2022. Khan was removed via a no confidence vote two weeks later on April 10, 2022; Right: During an interview with Axios broadcast June 21, 2021 on HBO, then prime minister Imran Khan responded "absolutely not" when asked if Pakistan would hypothetically allow the U.S. to use bases on its soil to launch military operations. It became an unofficial slogan. (Photos taken by Adam Weinstein)

Pakistan and Afghanistan: counterterrorism and beyond

Pakistan borders two of the countries most impacted by U.S. sanctions: Iran and Afghanistan. Despite the fact that the sanctions on Afghanistan target the Taliban and are not comprehensive or territorial, they still have a stifling effect on regional integration. Pakistan also faces tensions on three of its four borders: Baloch militancy along its border with Iran and TTP and ISKP militancy emanating from Afghanistan. There is also the possibility of a conventional or, in the worst case, nuclear war with

India along the Line of Control or triggered by a militant Islamist attack anywhere in India (such as the 2008 attacks in Mumbai by Lashkar-e-Tayyiba).

For two decades, the presence of U.S. troops in Afghanistan held the U.S.–Pakistan relationship hostage to a failing counterinsurgency and fledgling Afghan state.

Accusations of Pakistani double–dealing or American neglect shed little light on this period. The disconnect was rooted in conflicting assumptions about what was best for the region and how committed Washington was to its project in Afghanistan. Despite a reported doubling of terrorist incidents in Pakistan, from 319 in 2020 to 630 in 2022, 15 neither the United States nor Pakistan seems to prioritize the issue. There is a logic to this: looming economic and political crises threaten greater instability than suicide blasts.

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Following the withdrawal from Afghanistan, the United States and Pakistan can enhance their focus on counterterrorism efforts. This shift is possible because counterterrorism is now detached from an ineffective and costly counterinsurgency campaign in Afghanistan. This collaboration can involve exchanging signals and human intelligence, targeting, and technological aid. The United States can serve as a valuable partner for Pakistan by leveraging its Intelligence, Surveillance, and Reconnaissance (ISR) capabilities, while Pakistan can contribute human intelligence resources.

Washington and Islamabad also share a convergence of interests in Afghanistan beyond counterterrorism but have limited leverage to achieve them. Both want a more inclusive government that respects Afghan rights and prevents Afghanistan from becoming a terrorist safe haven. But countries that border Afghanistan have no choice

¹⁵ South Asia Terrorism Portal (SATP), Datasheet (Pakistan) last updated August 22, 2023, https://www.satp.org/datasheet-terrorist-attack/incidents-data/pakistan

other than to engage pragmatically with the Taliban. The United States should not underestimate the impact of an isolated Afghanistan on its neighbors and adopt a multilateral, pragmatic approach to dealing with the Taliban.¹⁶

Achieving positive policy advancements in Afghanistan will require direct and regular U.S. dialogue with the Taliban inside Afghanistan, fostering rapport, personal relationships, and trust, instead of relying on intermediaries or exclusively engaging with cabinet figures in Doha. The U.S.—Taliban agreement initiated an unprecedented dialogue between top Taliban leaders and U.S. officials, despite its limitations. However, this initial goodwill is diminishing rapidly. A study on diplomacy with the Taliban conducted by the United States Institute of Peace warned that "the loss of trust in formal dialogue is not only shared by international representatives but also by decision—makers within the Taliban." 18

U.S. and Pakistani interests in Afghanistan appear more aligned than ever before.

Pakistan can play a key role in fostering such a dialogue. It is highly motivated to elevate pragmatic Taliban figures, convince the group to moderate its hardline edicts, either formally or informally, and control terrorism. U.S. and Pakistani interests in Afghanistan appear more aligned than ever before, and Washington should encourage Pakistan's outreach to the Taliban through intelligence sharing, support on the global stage, and, most importantly, by recognizing that Afghanistan's stability and gradual economic integration are crucial for the security of its neighbors. While outreach may not yield immediate results, resorting to isolation or coercion is nearly certain to motivate the Taliban's leadership to dig in its heels.

¹⁶ Adam Weinstein, "Keep Talking to the Taliban," *Foreign Policy*, March 23, 2023, https://foreignpolicy.com/2023/03/23/taliban-afghanistan-diplomatic-strategy-united-states/

¹⁷ Weinstein, Taliban, https://foreignpolicy.com/2023/03/23/taliban-afghanistan-diplomatic-strategy-united-states/
¹⁸ Sana Tariq and Mohammed Ehsan Zia, "The Taliban's Crisis of Diplomacy," United States Institute of Peace:

¹⁸ Sana Tariq and Mohammed Ehsan Zia, "The Taliban's Crisis of Diplomacy," United States Institute of Peace: (December 2022),

https://www.usip.org/sites/default/files/Afghanistan-Peace-Process_The-Talibans-Crisis-of-Diplomacy.pdf, p. 2

Improving relations: expanding beyond the narrow security paradigm

U.S.—Pakistan relations and discussions of those relations have been disproportionately focused on traditional security aspects, particularly terrorism. The Biden administration's National Security Strategy (NSS) released in October 2022 did not mention Pakistan even once, which caused concern in some quarters of Pakistan's civil society and government. In comparison, the Obama administration's NSS released in May 2010 mentioned Pakistan 12 times in the body of the text. However, this provides an opportunity for relations to move beyond the narrow security realm, which will be explained in detail below and form the basis for the recommendations in this brief.

It is time to make U.S.-Pakistan relations less exciting but more practical.

Washington cannot alter Pakistan's security calculation vis—a—vis India, but it can broadly and privately encourage direct dialogue between the two countries — though any form of U.S. mediation is strongly opposed by India and is neither practical nor advisable. Similarly, Washington is not equipped to promote greater tolerance in Pakistani society or shape the security establishment's response to regional terrorism, but it can work with Pakistan to fight transnational terrorist groups through intelligence sharing and help train local police to act as first responders. While it cannot force Pakistan to make the decisions necessary to prevent the next wave of catastrophic floods from decimating entire communities, it can assist with climate resilience and take its own steps to reduce climate change. Additionally, the United States cannot reverse the domestic policy choices that have drained Pakistan of resources and inhibited its growth, but it can foster educational exchanges that shape the next generation of Pakistani leaders and encourage mutually beneficial trade and

¹⁹ National Security Strategy, The Obama White House (May 2010), https://obamawhitehouse.archives.gov/sites/default/files/rss_viewer/national_security_strategy.pdf

investment.²⁰ It is essential that Washington remain engaged in the region, lest it forfeit the relationships, influence, and understanding it has built in Pakistan. It is time to make U.S.–Pakistan relations less exciting but more practical.

Prioritize trade and investment

After the partition of British India in 1947, Pakistan's economy made strides by shifting to value—added products, leading to significant export growth. However, this progress relied on import substitution, resulting in overreliance on cotton—based products and textiles, production of non—competitive products, and chronic balance of payments problems.²¹ This policy also led to an elite bargain where unproductive sectors receive substantial government subsidies, foreign investment is low, and small businesses struggle to access financing.

In current times, Pakistan heavily relies on foreign aid, loans, and remittances as it spends more than it earns. In fiscal year 2022, the general government deficit was 7.9 percent of GDP, and public debt reached 78 percent of GDP.²² In July 2022, over seventy percent of all bank credit in Pakistan was extended to the public sector, which leads to a high interdependence between the government and the financial sector.²³ This presents the risk of significant financial losses for the financial sector if the government fails to service its debts, potentially destabilizing the entire financial system.²⁴ The private sector also faces challenges in obtaining sufficient credit due to the dominance of public sector borrowing.

²⁰ One example of this was USAID's Pakistan Private Investment Initiative (PPII). It comprised three professionally managed investment funds: the Abraaj Pakistan Fund, the Pakistan Catalyst Fund, and the Boltoro Growth Fund. These funds aimed to offer equity capital to support the growth of small–and medium–sized businesses in Pakistan.

²¹ Ishrat Husain, *Pakistan: The Economy of an Elitist State (Oxford University Press, 1999)* 280–81, 290.

²² World Bank Group, Pakistan Federal Public Expenditure Review 2023 (English) (Washington, D.C.: World Bank Group, 2023),

http://documents.worldbank.org/curated/en/099041223153536828/P17507702d44490bd0bb660b4b60037e930PE R, 1. This is the first PER report since 2010.

²³ World Bank Group, Pakistan Federal Public Expenditure Review 2023 (English) (Washington, D.C.: World Bank Group, 2023),

 $[\]frac{\text{http://documents.worldbank.org/curated/en/099041223153536828/P17507702d44490bd0bb660b4b60037e930PE}{R, 3-4.}$

²⁴ This phenomenon is referred to as the sovereign-bank nexus or sovereign- finance sector nexus.

Pakistan also faces challenges with tax collection and circular debt. Provinces receive the majority of the country's revenue, while the federal government struggles to cover its expenses. In fiscal year 2022, the federal government used 46 percent of total tax revenue to cover 67 percent of the country's expenditures.²⁵ Pakistan's tax collection is below the regional average, with numerous exceptions for certain industries, salaried employees, and income brackets.²⁶ As of 2018, only 1.5 million taxpayers were registered — i.e., less than one percent of the population.²⁷ Regressive subsidies further exacerbate income inequality.²⁸ Economic growth is also hindered by energy shortages, with almost 40 percent of Pakistan's total primary energy supply imported.²⁹ Circular debt in the energy sector is a recurring problem, with power generation companies, distribution companies, and the government owing each other money, leading to a net buildup of debt and prolonged power outages.³⁰

Approximately 32 percent of Pakistan's population is between 10–24 years old.³¹ The country's economy isn't growing quickly enough to absorb new job seekers, even though women — including those with higher education — are underutilized in the workforce. The elite and upper middle class use their social status to secure positions and live luxuriously regardless of their profession. Otherwise, upward mobility is rare, regardless of qualifications. The military and civil service offer some mobility, but they too are plagued by elite culture and opportunities in well—paid manufacturing jobs and trades

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²⁵ World Bank Group, Pakistan Federal Public Expenditure Review 2023 (English) (Washington, D.C.: World Bank Group, 2023),

 $[\]frac{\text{http://documents.worldbank.org/curated/en/099041223153536828/P17507702d44490bd0bb660b4b60037e930PE}{R,\,5.}$

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26 World Bank Group, Pakistan Federal Public Expenditure Review 2023 (English) (Washington, D.C.: World Bank Group, 2023),

 $[\]frac{\text{http://documents.worldbank.org/curated/en/099041223153536828/P17507702d44490bd0bb660b4b60037e930PE}{R,\,12-13.}$

²⁷ World Bank Group, Pakistan @ 100: Shaping the Future (English) (Washington, D.C.: World Bank Group, 2019), https://openknowledge.worldbank.org/server/api/core/bitstreams/0282d8a4-ba2e-55fe-8c34-ff028c61fd6f/content, 6.

²⁸ World Bank Group, Pakistan Federal Public Expenditure Review 2023 (English) (Washington, D.C.: World Bank Group, 2023),

http://documents.worldbank.org/curated/en/099041223153536828/P17507702d44490bd0bb660b4b60037e930PER, 7.

²⁹ Asia Development Bank, CAREC Energy Outlook 2030, Manila, Philippines: (2022), 185, https://www.adb.org/sites/default/files/publication/850111/carec-energy-outlook-2030.pdf

³⁰ This arises when distribution companies are unable to collect enough revenue from consumers.

³¹ "World Population Dashboard Pakistan", United Nations Population Fund, accessed August, 2023, https://www.unfpa.org/data/world-population/PK

are limited. If not for visa restrictions and family obligations, there would be an even greater brain drain. In contrast, India and Bangladesh offer greater upward mobility despite inequality.

The recently approved IMF package has saved Pakistan from defaulting on its financial obligations in the short term and was approved largely due to external financing pledges by Pakistan's friends.³² It will alleviate the immediate crisis, but it will buy months, not years. The solution to Pakistan's economic dysfunction lies in the hands of the country's political, economic, and military elites, who must undo the elite bargain that exists among them. This will require properly taxing individuals and industries, reducing protectionist policies, and vigorously pursuing foreign investment. The Pakistani state must dismantle the regulatory barriers that hinder both domestic and foreign investment.³³

The solution to Pakistan's economic dysfunction lies in the hands of the country's political, economic, and military elites, who must undo the elite bargain that exists among them.

The United States is Pakistan's single largest destination for exports, accounting for 21.1 percent of total exports, with China in second place at 10.5 percent according to World Bank data.³⁴ Many Pakistani products don't reach American consumers because Pakistani firms fail to navigate U.S. regulations. For example, producers of Pakistan's

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³² The IMF has granted Pakistan a nine month Stand-by Arrangement (SBA) of SDR2,250 million (approximately \$3 billion), aiding their economic stabilization plan. The SBA-supported program aims to restore balance in the country's economy through implementing the FY24 budget, adopting a market-driven exchange rate, enforcing tight monetary policy, and advancing structural reforms for energy, state-owned enterprises, and climate resilience. IMF Press Release no. 23/261, July 12, 2023,

 $[\]frac{\text{https://www.imf.org/en/News/Articles/2023/07/12/pr23261-pakistan-imf-exec-board-approves-us3bil-sba\#:}{\text{Washington\%2C\%20DC\%3A\%20Today\%2C\%20the,the\%20authorities'\%20economic\%20stabilization\%20program.}}$

³³ These include complex registration processes and an unclear taxation system.

^{34 &}quot;Pakistan Trade", World Integrated Trade Solution, accessed August, 2023,

https://wits.worldbank.org/CountrySnapshot/en/PAK; "Pakistan", Office of the United States Trade Representative, accessed August, 2023, https://ustr.gov/countries-regions/south-central-asia/pakistan; Pakistan was the United States' 57th largest goods export market prior to the pandemic in 2019, and 56th largest good trading partner if two-way trade is considered.

world-renowned mangoes have struggled to reach U.S. consumers largely due to the absence of an approved irradiation center in Pakistan.³⁵

The United States and Pakistan should continue to meet under the U.S.–Pakistan Trade and Investment Framework Agreement (TIFA), which was signed by both countries in 2003. Merely talking is insufficient, and efforts should be bolstered by facilitating U.S. private sector delegations that can uncover fresh avenues for American companies to tap into Pakistan's expanding consumer market and leverage Pakistan's nascent but growing skilled tech workforce, explore startup investments, and solidify business agreements. The private sector must take the lead in this endeavor, but the U.S. Embassy's encouragement can be instrumental. However, the primary obstacles for enhancing economic ties lie within Pakistan, requiring the proactive engagement of its government to modernize industries and remove barriers to foreign investment.

Reassess aid

The United States has a significant economic presence in Pakistan that extends beyond trade. During the last two decades, the United States has given over \$32 billion in direct support to the people of Pakistan through different agencies.³⁷ Much of this is overseen by the United States Agency for International Development (USAID), the U.S. agency primarily responsible for administering development assistance around the world. USAID has failed to generate the same level of goodwill as Chinese investment, even when Beijing's investment is perceived as predatory (as in the Gwadar Port). Additionally, the effectiveness of USAID falls behind that of the United Kingdom's Department for International Development (DFID).³⁸

³⁵ Irradiation extends the shelf life of certain foods.

³⁶ Trade and Investment Agreement Between the United States and the Islamic Republic of Pakistan, signed June 25, 2003, https://ustr.gov/sites/default/files/uploads/agreements/tifa/asset_upload_file849_9759.pdf

³⁷ U.S. Assistance to Pakistan, "Embassy Fact Sheets," U.S. Embassy & Consulates in Pakistan, accessed August 24, 2023, https://pk.usembassv.gov/our-relationship/policy-history/us-assistance-to-pakistan/

³⁸ According to Nadia Naviwala, the U.K. approaches aid from the perspective of "what can we do, not what should in an ideal universe be achieved." See: "Aid, Politics, and the War of Narratives in US-Pakistan Relations" | Virtual Book Talk," Woodrow Wilson Center (YouTube: March 8, 2023), 01:15, https://www.youtube.com/watch?v=ThaMPQfGmSU

USAID has also created an atmosphere where NGOs function more like consulting firms competing for contracts than as local entities seizing an opportunity.

USAID's operations in Pakistan require a significant reevaluation that is beyond the scope of this brief. USAID should reconsider its self-imposed limitations on the mobility of its personnel, reluctance to participate in large-scale infrastructure projects, and its focus on initiatives intended to foster democracy or tolerance, even when such programs are clearly ineffective.³⁹ USAID has also created an atmosphere where NGOs function more like consulting firms competing for contracts than as local entities seizing an opportunity. This incentivizes partners on the ground to prioritize solutions appealing to U.S. technocrats, rather than those effective in Pakistani society.





Left: Flood victim Haji Usman sits outside his makeshift tent covered by a weather sheet donated by USAID while taking refuge on an embankment in Dadu, September 14, 2010 (via Reuters); Right: A dumpster donated by USAID in Khyber-Pakhtunkhwa boasts in English that it is "from the American people." Although the United States has significantly contributed to Pakistan's sanitation, public health, and education sectors, these initiatives remain less familiar to ordinary Pakistanis, particularly when compared to China's involvement. (Photo taken by Adam Weinstein)

³⁹ "In my three years within the government at IPRI, I had almost two dozen visits from the British diplomats, about five dozen from the Chinese, again two or three dozen from the Russians. The U.S.? Zero. [...] The British operate diplomatically very differently and when it comes to aid as well, small projects, lean, fast. [...] They work with trusted partners who have already proven results and then they go on." Nadim Hussain, Wilson Center Virtual Book Talk, at 1:19. https://www.youtube.com/watch?v=ThaMPQfGmSU. Nadim Hussain served as Executive Director of the Islamabad Policy Research Institute from 2020–22. The Institute is an Islamabad–based think tank affiliated with the National Security Division of the Government of Pakistan, which falls under the Office of the Prime Minister.

USAID's capacity in Pakistan is constrained by its limited budget, which falls short of what is required, and its understanding of the country. 40 Given these limitations, USAID should prioritize projects in healthcare, sanitation, climate resilience, and some infrastructure, while avoiding initiatives that implicate cultural sensitivities. Social change should be organic. Washington's utilization of the public health sector for covert security purposes continues to haunt current vaccination programs and should never be repeated. 41 Despite initiatives improving the lives of ordinary Pakistanis through vaccines, scholarships, sanitation, and technology, the United States struggles to communicate these efforts effectively, partly due to self–imposed restrictions on diplomats.

Focus on climate action

Pakistan produces just 0.9 percent of global carbon emissions despite being the fifth most populous country, yet is regularly featured among the top 10 countries most vulnerable to climate change. Following the floods in Pakistan in August 2022, the Pakistani government used this disparity to persuade donor countries to pledge money for climate resilience and damages. A conference held in Geneva on January 9, 2023, co–hosted by the United Nations and the Government of Pakistan, resulted in over \$9 billion pledged from donor countries for flood damages. However, it's uncertain that all the funds will be delivered. The United States has responded by committing over \$200

⁴⁰ For example, one study of USAID's efforts at improving Pakistan's education sector found that, at the time of the report's publishing in 2016, Pakistan spent \$7.5 billion in one year on education compared to USAID's spending of \$400 million over five years. The study noted that "the U.S. government never could have had the transformative impact they envisioned by relying on dollars alone." See: Nadia Naviwala, "Pakistan's Education Crisis: The Real Story," Wilson Center, (July 2016): 23,

https://www.wilsoncenter.org/sites/default/files/media/documents/publication/pakistanseducationcrisistherealstor v2.bdf

⁴¹ The CIA used the polio vaccination program in Pakistan as a cover to gather intelligence and locate Osama bin Laden's whereabouts. Jackie Northam, "How the CIA's Hunt for Bin Laden Impacted Public Health Campaigns in Pakistan," *All Things Considered*, NPR, September 6, 2021,

 $[\]frac{\text{https://www.npr.org/2021/09/06/1034631928/the-cias-hunt-for-bin-laden-has-had-lasting-repercussions-for-ngos-in-pakistan\#:\sim:text=But%20the%20bin%20Laden%20raid,and%20health%20workers%20were%20targeted.}$

⁴² Government of Pakistan's National Climate Action Report (2021),

https://unfccc.int/sites/default/files/NDC/2022-06/Pakistan%20Updated%20NDC%202021.pdf

⁴³ Emma Farge, Gabrielle Tétrault–Farber, and Asif Shahzad, "Donors exceed Pakistan goal with pledge of more than \$9 bln for flood recovery," Reuters, January 9, 2023,

https://www.reuters.com/world/asia-pacific/un-chief-calls-massive-investments-pakistan-recovery-2023-01-09/

million in flood relief,⁴⁴ disaster resilience, food security assistance, and 500 new scholarships to Pakistani students affected by the floods.⁴⁵ The Pakistani–American diaspora also proved pivotal in liaising between governments, NGOs, and aid organizations.

Pakistan is unfairly exposed to the worst impacts of climate change, but focusing solely on its low carbon emissions, which are due to stunted growth rather than green policies, ignores the complete picture. Pakistan imports its carbon footprint through remittances from overseas workers, physical imports, and billions of dollars in multilateral and concessional loans and aid, which are not carbon neutral. Like all capital that is generated through productivity, it too has a carbon footprint. Pakistan's large population can be attributed to its high fertility rate, higher than India and Bangladesh and almost twice the average of upper middle–income countries. This population boom hinders the country's development, lowers female labor force participation, and threatens its long–term environmental security. To obtain a more realistic estimate of Pakistan's carbon footprint, one should consider external inflows, consumption, and productivity in addition to population.

Pakistan is unfairly exposed to the worst impacts of climate change, but focusing solely on its low carbon emissions ignores the complete picture.

Addressing climate change is crucial because it is a global issue that requires collective action. As Pakistan's growth and productivity increase to support its population trends, its currently low emissions may surge. Alternatively, relying on external debt, based on

⁴⁴ "United States Pledges \$100 Million to Support Continued Flood Recovery Efforts in Pakistan," USAID Office of Press Relations, January 9, 2023,

https://www.usaid.gov/news-information/press-releases/jan-09-2023-united-states-pledges-100-million-support-cont inued-flood-recovery-efforts-pakistan

⁴⁵ "U.S. Government Announces Scholarships for Flood–Affected Students in Pakistan," U.S. Mission to Pakistan, March 7, 2023,

 $[\]frac{\text{https://pk.usembassy.gov/u-s-government-announces-scholarships-for-flood-affected-students-in-pakistan/\#:\sim:text=U.S.\%20Government\%20Announces\%20Scholarships\%20for\%20Flood\%2DAffected\%20Students\%20in\%20Pakistan,-Home%20%7C%20News%20%26%20Events&text=Islamabad%2C%20March%207%2C%202023%3A.them%20in%20completing%20their%20degrees.$

non-"green" productivity abroad, could persist. While the Global North has supported Pakistan after floods, the most effective approach is to invest in climate resilience as a primary defense. It is crucial that building designs are updated and settlements are moved away from the most severe flood zones, such as river banks. Washington can help Pakistan with technical expertise to design affordable yet climate resilient dwellings.

People-to-people exchanges

There are significant people—to—people exchanges between the United States and Pakistan. In 2019, there were approximately 554,000 individuals of Pakistani descent living in the United States compared to 204,000 in 2000. ⁴⁶ The diaspora is concentrated in New York, Houston, Washington, and Chicago. Fulbright scholarships were awarded to 189 Pakistanis to begin studies and research at 82 U.S. universities beginning in fall 2022. ⁴⁷ This continues a trend since 2005 of Pakistan producing the largest contingent of Fulbright scholars. ⁴⁸

But this academic and cultural exchange is not a two-way street. Pakistan is not offered as a Fulbright destination for U.S. students, nor are tourism or business exchanges to Pakistan common. The State Department's Critical Languages Scholarship program sends students to Lucknow, India to study Urdu even though it is the national language of Pakistan, not India. 49 Once in Pakistan, U.S. diplomats have few opportunities to travel or meet ordinary Pakistanis. 50 U.S. diplomats and defense attachés also conduct shorter tours compared to their European counterparts, partly

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⁴⁶ Abby Budiman, "Pakistanis in the U.S. Fact Sheet," Pew Research Center, April 29, 2021, https://www.pewresearch.org/social-trends/fact-sheet/asian-americans-pakistanis-in-the-u-s/

⁴⁷ "189 Pakistanis receive Fulbright scholarships for Master's and PhD Degrees in the United States," U.S. Mission Pakistan, July 29, 2022,

https://pk.usembassy.gov/189-pakistanis-receive-fulbright-scholarships-for-masters-and-phd-degrees-in-the-united-st ates/

⁴⁸ "Fulbright Degree Programs FAQ," The United States Educational Program in Pakistan (USEFP), accessed August 24, 2023, https://usefp.org/scholarships/fulbright-degree-FAQ.cfm

⁴⁹ The CLS scholarship only offers Lucknow, India as a location for the study of Urdu.

Critical Language Scholarship, "The Urdu Language," U.S. Department of State, accessed August 24, 2023, https://clscholarship.org/languages/urdu

⁵⁰ U.S. diplomats do not even have access to all of Islamabad.

because they are often unaccompanied by family.⁵¹ This hinders U.S. diplomacy, aid, and engagement with Pakistani society.⁵² Difficulty in obtaining visas, particularly in a timely fashion, remains a hindrance for exchanges running both ways.⁵³

Offsides: Pakistan and U.S.-China competition

China and the United States form Pakistan's two most important relationships. It is their shared territorial disputes with India and perceived interest in countering India's rise that have solidified what Bilawal Bhutto, until recently Pakistan's foreign minister, recently referred to as an "all–weather strategic cooperative partnership" between China and Pakistan.⁵⁴ However, Pakistan's establishment prefers to keep a balance between the two countries and lopsidedness in relations, particularly military–to–military ties, are discomfiting. U.S.–China competition only adds to this discomfort as Pakistan's leaders worry that they will be forced to choose between the two relationships.⁵⁵ Moreover, as

⁵¹ DoD tour lengths in Pakistan are 12 months for service members and 18 months for civilians. Dependents are not currently authorized by the DoD in Pakistan.

U.S. Department of Defense, "Tour Lengths and Tours of Duty Outside the Continental United States (OCONUS)," accessed August 24, 2023,

https://media.defense.gov/2022/Oct/28/2003104852/-1/-1/1/TOUR_LENGTHS_AND_TOURS_OF_DUTY_OCONUS.PDF

⁵² Causes for this level of caution include the institutional memory of the terrorist attack on U.S. installations in Benghazi, Libya and persistent threats in Pakistan itself.

⁵³ As of July 20, 2023 the wait time for an interview for a B-1/B-2 visitor visa is 343 days at the U.S. Embassy in Islamabad and 431 days at the U.S. Consulate General in Karachi. However, the wait times for F/J visa categories are significantly better, with only 27 days and 7 days respectively. These long wait times for visitor visa interviews were particularly challenging for Pakistani nationals who did not qualify for a waiver because they were under the age of 45, who had family in the United States or had previously studied or worked in the U.S. and developed personal connections. This eroded their positive feelings towards the United States that were developed through previous exchanges. However, starting January 12, 2023, Pakistani citizens of any age who are renewing B1/B2 tourist and business visas, so long as those visas are valid or have expired within the last 48 months and they apply from the same location, can be eligible for an interview waiver which is a positive step. NADRA's Pakistan Online Visa System portal is preferable to in–person applications, but frequently crashes, provides unclear instructions for invitation letter formats, and lacks clarity about which visa category applies to which situation. The requirement of an invitation letter continues to complicate tourism and would be investors, and in the case of a business visa, a recommendation letter from the business traveler's home country's Chamber of Commerce and Industries is required in addition to an invitation letter.

[&]quot;Expansion of Interview Waiver Eligibility for U.S. Visa Holders from Pakistan," U.S. Mission, Pakistan, January 12, 2023, https://pk.usembassy.gov/expansion-of-interview-waiver-eligibility-for-u-s-visa-holders-from-pakistan-2/, "Global Visa Wait Times," U.S. Department of State — Bureau of Consular Affairs, last updated August 25, 2023, https://travel.state.gov/content/travel/en/us-visas/visa-information-resources/global-visa-wait-times.html

Tongratulate my brother Wang Yi on his appointment as China's Foreign Minister. FM Wang is an astute and seasoned diplomat whom I had the distinct pleasure of interacting with twice last year. I'm confident that under his watch our all—weather strategic cooperative partnership would grow from strength to strength" (@BilawalBhuttoZardari, July 25, 2023). https://twitter.com/BBhuttoZardari/status/1683834393075372032?s=20

This assessment is based on numerous interviews with serving Pakistani diplomats, military officers, and politicians.

previously explained, Pakistan is on the sidelines of the U.S. Indopacific strategy, which prioritizes India to contain, or at least balance, China.

Pakistan is on the sidelines of the U.S. Indopacific strategy, which prioritizes India to contain, or at least balance, China.

According to a recent analysis, China is now the top supplier of Pakistan's conventional weapons and provides 80 percent of its combat airpower, such as JF–17 and F–7 fighter jets. ⁵⁶ It may also provide Z–10ME attack helicopters to replace older Cobras. ⁵⁷ However, Pakistan still values its F–16 fleet, and its purchase of Chinese–made weapons is often due to availability rather than preference. The development of Gwadar Port, a deep–sea port along Pakistan's Makran coast, by China was initiated at the request of Pervez Musharraf, rather than being a machination of Beijing. The port could be a military asset where Chinese naval vessels may stop for refueling and docking, but for now it's not certain whether there are any plans to create a fully functioning Chinese naval base there. ⁵⁸

China-Pakistan cooperation on terrorism and regional trade is not in conflict with U.S. interests. For this reason, panic over the China-Pakistan Economic Corridor (CPEC), which is the Belt and Road Initiative's (BRI) \$62 billion pilot project, is also overblown. CPEC faces significant obstacles such as local protests, terrorism by Baloch separatists, targeted attacks on Chinese nationals, and inefficiency. Increasing closeness between Pakistan's military and the PLA, however, should be a cause for concern and is not in the interests of the United States. Washington should take steps to prevent a severe imbalance in relations.

⁵⁶ United States Institute of Peace (USIP), "The Threshold Alliance: China-Pakistan Military Relationship," March 2023, https://www.usip.org/publications/2023/03/threshold-alliance-china-pakistan-military-relationship
⁵⁷ USIP, "The Threshold Alliance."

https://www.usip.org/publications/2023/03/threshold-alliance-china-pakistan-military-relationship 58 USIP, "The Threshold Alliance."

https://www.usip.org/publications/2023/03/threshold-alliance-china-pakistan-military-relationship

China-Pakistan cooperation on terrorism and regional trade is not in conflict with U.S. interests.

Pakistan views China as a more reliable partner than Washington. Mushahid Hussain Sayed, Pakistan's Senator and Chairman of the Senate Standing Committee on Defense, described it this way in a QI interview: "The China–Pakistan relationship is strategic and consistent irrespective of changes in geopolitics. The U.S.–Pakistan relationship is viewed as tactical because of a geopolitical situation [...] Once that situation is altered as is the case right now, then the U.S. doesn't even look back." Military ties and joint exercises between the two countries are increasing. Additionally, China's development infrastructure and investment projects are more visible than USAID initiatives; they have literally kept the lights on in Pakistan's cities. "What China gives that is visible aid, whether it's the port project, whether it's a highway, whether it's an arms factory," explained Senator Hussain. 60

During his testimony before the House Foreign Affairs Committee on June 14, 2023, Geoffrey Pyatt, the State Department's Assistant Secretary for Energy Resources, blamed China for Pakistan's heavy dependence on coal–fired power generation, claiming, "I saw first–hand during my visit to Pakistan in March that the PRC has been the driving factor in Pakistan's ongoing reliance on coal–fired power generation." Pyatt further pointed out that since 2015, CPEC has invested around \$7.2 billion in developing 4,950 megawatts of coal–fired power plants for the national grid, with a substantial portion of the coal imported, exacerbating Pakistan's financial challenges. The United States is right to caution countries about the risks of Chinese loans and investment, but

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⁵⁹ QI interview, July 8, 2022.

⁶⁰ QI interview, July 8, 2022.

⁶¹ Geoffrey R. Pyatt (Assistant Secretary for Energy Resources), "Assessing U.S. Efforts to Counter China's Coercive Belt and Road Diplomacy," Before the House Foreign Affairs Committee, June 14, 2023, https://docs.house.gov/meetings/FA/FA00/20230614/116025/HHRG-118-FA00-Wstate-PyattG-20230614.pdf

⁶² During the 76th Session of the United Nations General Assembly in September 2021, Chinese President Xi Jinping declared that China would refrain from constructing new coal-fired power plants overseas.

[&]quot;Xi Jinping Attends the General Debate of the 76th Session of the United Nations General Assembly and Delivers an Important Speech," Ministry of Foreign Affairs of the People's Republic of China, September 22, 2021, https://www.fmprc.gov.cn/mfa_eng/wib_663304/zzig_663340/qjs_665170/qjsxw_665172/202109/t20210923_9580

as long as the United States remains uninvolved in large-scale infrastructure projects, China will be the main player in the region. As mentioned earlier, Washington must scale up its green initiatives⁶³ if it wants to provide a genuine alternative.

Washington and Beijing both desire a stable Pakistan and neither wants to become too entangled in its domestic affairs.

Ultimately, Washington and Beijing both desire a stable Pakistan and neither wants to become too entangled in its domestic affairs. Washington should protect its interests and influence in Pakistan but it would be a mistake to view the country as predominantly an arena of great power competition. In fact, Pakistan may provide opportunities for the United States and China to work in parallel, in ways that benefit all concerned.

Conclusion

The analysis and recommendations of this brief draw on findings from four trips to Pakistan between 2022–23, including visits to Islamabad, Karachi, Lahore, and Peshawar. Meetings and interviews conducted in the United States, Pakistan, and Europe included candid discussions, on and off the record, with serving and retired U.S., Pakistani, and European diplomats, elected officials, senior military officers, journalists, and civil society. These insights offer valuable perspectives for how U.S.–Pakistan relations have evolved, what is possible in the relationship, and what should be prioritized.

⁶³ "Joint Statement on U.S.–Pakistan Climate and Environment Working Group," U.S. Embassy in Pakistan, March 16, 2023,

https://pk.usembassy.gov/joint-statement-on-u-s-pakistan-climate-and-environment-working-group/#:~:text=Through %20the%20Climate%20and%20Environment,and%20effectiveness%20for%20Pakistani%20farmers; "Fact Sheet: Results from U.S.—Pakistan Climate and Environment Working Group," U.S. Embassy in Pakistan, March 16, 2023, https://pk.usembassy.gov/fact-sheet-results-from-u-s-pakistan-climate-and-environment-working-group-march-16-20 23/; Ambassador Donald Blome's visit to Thatta District "wind corridor" reaffirmed commitment to technical cooperation. "US to expand energy cooperation with Pakistan: Blome," GeoNews, May 26, 2023, https://www.geo.tv/latest/489502-us-to-expand-clean-energy-cooperation-with-pakistan-blome

Pakistan, with a youthful population of just over 240 million and growing, faces many challenges. Its security forces suffer casualties similar to those sustained by the U.S. military during the Afghanistan surge. ⁶⁴ Despite not posing an existential threat to the state, these groups still inflict damage by eroding state confidence, straining cohesion, and discouraging investment. While the possibility of a large–scale war with India is real, past escalations were resolved within a few weeks. The two biggest threats to Pakistan are clearly economic collapse and the disastrous effects of climate change.

The two biggest threats to Pakistan are clearly economic collapse and the disastrous effects of climate change.

A positive trajectory for Pakistan will benefit the region and world, but instability will produce worsening consequences. Washington seems more eager than Islamabad to move beyond the security–focused relations of the past and collaborate in areas like trade and climate resilience. The Pakistani government appears deeply committed to crisis diplomacy, despite its desire for a "geoeconomic reset." As Stephen P. Cohen famously observed in 2004, "Pakistan now negotiates with its allies and friends by pointing a gun to its own head." Such tactics will fail in a world increasingly distracted with geopolitical issues in other regions.

Washington should reconsider how it engages with Pakistan and, more importantly, Pakistanis. Despite investing hundreds of millions of dollars in aid, distributing almost 80 million vaccines for COVID-19, offering Fulbright awards to over 4,000 Pakistanis since 1951⁶⁶ and building a network of over 25,000 Pakistanis who have participated in

⁶⁴ "During the first three months of this year, 128 terrorists have been killed while 270 arrested. Meanwhile, 97 officers and soldiers have been martyred (during the same period) during operations against the terrorists" (@ihsanTipu, April 14, 2022). https://twitter.com/lhsanTipu/status/1514551716473098243?s=20&t=YFC60HBhBcmKs8UxxoBuiA
⁶⁵ Stephen P. Cohen, *The Idea of Pakistan*, (Washington: Brookings Institution Press, 2004), 270.

^{66 &}quot;189 Pakistanis Receive Fulbright Scholarships for Master's and PhD Degrees In The United States," U.S. Embassy in Pakistan, July 29, 2022,

https://pk.usembassy.gov/189-pakistanis-receive-fulbright-scholarships-for-masters-and-phd-degrees-in-the-united-states/

U.S. government sponsored exchange programs,⁶⁷ and having close ties between political and military elites, many Pakistanis still hold negative views of the United States. This raises concerns about the effectiveness of Washington's engagement with Pakistani society. The recommendations included in this paper, some of which are already being implemented by the U.S. Embassy, offer a starting point for improving relations and rightsizing expectations.

⁶⁷ "Pak-U.S. Alumni Network," Fulbright Alumni, accessed August, 2023, https://fulbrightalumni.usefp.org/puan.

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