



SEIZING THE MOMENT FOR CHANGE

PATHWAYS TO A SUSTAINABLE US-PAKISTAN RELATIONSHIP

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SUMMARY

It is a near truism that U.S. relations with Pakistan have been historically unstable, waxing and waning, climbing to heights of interdependence and sinking to mutual recrimination. Yet this is presently a period unmarked by either high promise or driven by crisis. Rather than a reason, however, for leaving the relationship untouched and unexamined, this can be a time of unusual opportunity to create a more deliberative approach to thinking about the bilateral relationship and for shaping fresh initiatives.

This policy paper represents the combined thinking of an expert group of independent academics, policy analysts, and retired government officials with many years as close witnesses to the U.S.-Pakistan relationship. Drawing on several discussion sessions and other communications, this paper examines the relationship and lays out a range of concrete proposals that take into account the interests of both countries. The issues and conclusions provided here are meant for U.S. policymakers as well as others with an interest in finding pathways for improved relations between the two countries.

PREFACE

It is a near truism that U.S. relations with Pakistan have been historically unstable, waxing and waning, climbing to heights of interdependence and sinking to mutual recrimination. Yet this is presently a period unmarked by either high promise or driven by crisis. Rather than a reason, however, for leaving the relationship untouched and unexamined, this can be a time of unusual opportunity to create a more deliberative approach to thinking about the bilateral relationship and for shaping fresh initiatives.

At this moment of relative calm in their relationship there nevertheless remain important strategic differences in how the U.S. and Pakistan view one another, and divergent interests particularly over Pakistan's relations with its regional neighbors. These differences underscore the need for better understanding in the U.S. and Pakistan of their relationship and the need to place it on a secure footing. Within this context, significant possibilities can be identified that have the potential to create a long-term, mutually beneficial relationship that is compatible with the U.S.'s foremost concerns in South Asia while also addressing Pakistan's national interests.

Four U.S. objectives are uppermost among the reasons for pursuing a more reliable relationship with Pakistan. The first is the still ongoing attempt to

eliminate al-Qaeda and affiliated terrorist organizations in the region. There is also the need to secure Pakistan's use of its influence in achieving a peaceful and stable Afghanistan, especially now with the pending disengagement of American and allied foreign forces. Pakistan's custodianship of its nuclear arsenal and the prevention of nuclear conflict with India are also priorities for the U.S. Although not an explicit objective, a Pakistan that is politically and economically stable may be instrumental to the U.S. realizing its other goals.

This policy paper represents the combined thinking of an expert group of independent academics, policy analysts, and retired government officials with many years as close witnesses to the U.S.-Pakistan relationship. Drawing on several discussion sessions and other communications, this paper examines the relationship and lays out a range of concrete proposals that take into account the interests of both countries. The issues and conclusions provided here are meant for U.S. policymakers as well as others with an interest in finding pathways for improved relations between the two countries.

SALIENT CONTOURS OF THE BILATERAL RELATIONSHIP

In the past, the U.S. has viewed its relationship with Pakistan as being limited to focusing on specific strategic goals, such as facilitating the Sino-American rapprochement in the early 1970s, leading the proxy war against the Soviets in Afghanistan during the 1980s, and supporting U.S. direct military action in Afghanistan in the post-9/11 context. It was during these junctures that the U.S. relationship with Pakistan was far out of proportion to its normal importance. In the absence of a strategic framework, the task of managing the sporadically elevated bilateral relationship was driven by the White House, aided by the Pentagon and the CIA, and negotiated primarily with military-led governments in Pakistan. As Pakistan did not have a sustained constituency in Washington, there was no organizing principle and strategic consensus to build a more consistent and durable relationship. Thus, as soon as America's vital interests were served, interest in Pakistan would not only fade but also become punitive, resulting in several periods (around 25 years in total) of outright sanctions for Pakistani actions that had been conveniently ignored when Pakistan's cooperation seemed vital.

U.S. financial assistance has, nonetheless, helped strengthen Pakistan's defense capabilities and potential for economic development. But Washington also became embroiled in the power struggles

within Pakistan's elite-based system, often becoming a pillar to sustain military governments. Many Pakistanis also believe that their country has grievously suffered from U.S. intervention in Afghanistan since 9/11, and before that from the aftermath of cooperation with U.S. covert efforts to drive the Soviets out of Afghanistan. Besides being caught between Washington's demand to do more to help stabilize the U.S.-supported Afghan government, and domestic demands to do less, the Pakistani establishment itself remained unconvinced whether cooperation with the U.S. was in its own national interest. Yet, enticed by the incoming aid, Pakistan has continued to partner with Washington, even while realizing it could not fulfill all of America's demands. Lack of progress on a narrowly defined, security-driven, and transactional basis has created increasing acrimony within the bilateral relationship.

A mutual co-dependency has serviced faulty policies on both sides, setting each other up for blame for their own failures, and contention in their bilateral relationship. The resulting challenge has not just been how to develop a strategic relationship, but how to make even a narrowly defined relationship work. Attempts to implement punitive measures to compel Pakistan to cooperate with the U.S. to stabilize the Afghan government have generally proven ineffective. They have often brought about new challenges for U.S. policymakers as Pakistan seeks alternatives. Pakistan's increasing dependence on China for strategic and economic support is the most obvious example. These divergences have



General Joseph Dunford (R), US Chairman of the Joint Chiefs of Staff, stands alongside Pakistani Chief of the Army Staff General Qamar Bajwa, as he arrives at the Pentagon July 22, 2019. (Photo by SAUL LOEB/AFP via Getty Images)

led some to conclude that the strategic priorities of Pakistan and the U.S. are fundamentally at odds with each other.

The relationship between Pakistan and the U.S. has become increasingly complex with the changing scope of other U.S. regional commitments in South Asia over the past two decades. Besides the post-9/11 U.S. military intervention in Afghanistan placing immense strain on its relationship with Pakistan, the U.S. has simultaneously enhanced the scope of its relationship with India. Conversely, now China also has a much more serious role to play in the South Asian region, especially in Pakistan, due to its ambitious Belt and Road Initiative (BRI).

All these recent developments further strained and added increasing volatility to the U.S.-Pakistan bilateral relationship,

which at present lacks a comprehensive framework to contend with these interrelated issues. Yet Pakistan and the U.S. do have shared mutual interests in terms of seeing stability in Afghanistan, contending with the problem of extremism, and averting a dangerous escalation in nuclear South Asia.

While there are several areas on which both countries can potentially converge to form a more mutually beneficial and stable relationship, it is also important to not overestimate the possibilities of convergence. It is necessary to carefully select from within the broader set of policy objectives what specific issues are most promising for improving bilateral relations. While both nations are, for instance, concerned about the threat of terrorism, their perception of the nature of this threat has often diverged

and led to much consternation. A nuanced approach to identifying the possibilities of cooperation can, in fact, even facilitate common purposes within the seemingly dissimilar strategic interests of the two countries.

It is also essential for U.S. policymakers to broaden their policy toolkit for dealing with Pakistan beyond the provision of transactional aid or trying to extract concessions by applying varying levels of pressure. Pakistan, too, must set aside the dangerous illusion that America cannot do without its help, or that all of Pakistan's problems, especially militancy, are Washington's creation.

Focusing on convergence of interests need not imply that relations are inevitably fated to be merely transactional or in any way considered a zero-sum game. The U.S. has a long history of providing humanitarian aid and technical and financial assistance to Pakistan that involves no obvious reciprocity. Pakistan's economy is one area where there is more obviously potential for mutual benefits with cooperation. There is still much else as well that can be done to support Pakistan's ability to address its formidable domestic challenges. This support can also be provided in a manner that is not perceived as intervening in, or ill-suited to, Pakistan's internal needs.

Rather than trying to create too grandiose a framework for bilateral cooperation that risks collapsing under the weight of its own contradictions, there is need for a practical assessment in terms of moving the needle on bilateral relations. It is necessary to look

at what is realistic, not what is ideal. The aim of improving ties needs to be a prioritizing of near-term and pragmatic measures while keeping an eye on the future.

There are unique opportunities in the present moment that could contribute to building a more resilient relationship between Pakistan and the U.S. The following sections of this paper will identify such possibilities. Attention will first be drawn to ways in which Pakistan and the U.S. can improve their cooperation on security-related challenges. Afterwards, we focus on mutually relevant political and social issues, and what should specifically be done to boost economic and development cooperation, and to contend with Pakistan's growing environmental challenges.

MUTUAL SECURITY CHALLENGES

U.S.-Pakistan relations that have long been dominated by strategic compulsions may be now entering a new and different phase. While security issues remain salient, other concerns encompass the relationship. The now-inked peace agreement with the Taliban will require a cooperative Pakistan if the U.S. disengagement from Afghanistan is to proceed smoothly. This involves Pakistan spurning a spoiler role, but there are also ways in which it can contribute to the success of any newly emergent Afghan state through trade and broad assistance policies.

Pakistan also figures strongly in U.S. interests in its willingness to curb militant extremist groups and blunt the ability of global terrorists to use Afghanistan as a launching ground for future attacks. The U.S. has regularly questioned the consistency of Pakistan's policies aimed against its domestic militant extremists. The two countries have nevertheless managed to cooperate over time in sharing intelligence on such organizations as al-Qaeda, Islamic State, Tehreek-e-Taliban Pakistan, and Tehreek-e-Nafaz-e-Shariat-e-Mohammadi. Given that many of these terrorist groups straddle the Afghan-Pakistan border regions, the U.S. can also encourage Pakistan and Afghanistan intelligence sharing, which will assume increased importance following a U.S. troop withdrawal.

Even while Pakistan's security situation has improved, the U.S. along with the international community needs assurance that Pakistan will curb terrorist financing. Failure to satisfy a multinational Financial Action Task Force could prove devastating to Pakistan's economy. But the U.S. is also concerned about Pakistan's economy as well. A Pakistan struggling economically would lack the confidence to confront and stifle domestic radicalism and to take the tough, risky decisions that a foreign policy more convergent with the U.S. may require.

While the U.S. and Pakistan are unlikely to see their bilateral relationship through the same Afghan, Chinese, or Indian prisms, there are new unexplored areas for strengthening cooperation in ways that serve the strategic goals of both the

U.S. and Pakistan. On Afghanistan, much of the time the U.S. and Pakistan have held opposing objectives. Pakistan has long used the Taliban as an allied force designed to deny India a strategic foothold in the country. For the U.S., the Taliban has been the main player in an insurgency that has kept American forces in Afghanistan since 2001 and prevented stabilization of the U.S.-backed Afghan government. Despite this divergence, there has been an observable convergence of U.S. and Pakistan's policies around the need to bring an end to the violence in Afghanistan. Both governments have demonstrated a preference for a negotiated political settlement, each for their own reasons. While reluctant to give up its insurance policy in backing the Taliban, instead of supporting an outright Taliban victory, Pakistan has backed the option of urging the Taliban to engage in an intra-Afghan dialogue. Pakistan's recent cooperation that facilitated U.S.-Taliban peace talks could set a precedent for broader policy convergence on other issues that have divided the U.S. and Pakistan. Pakistan is conceivably ready to work with the U.S. to help create a united, peaceful, and prospering Afghanistan, so long as it is not deemed unfriendly by Pakistan. Like other countries in the region, Pakistan opposes a permanent American military presence in Afghanistan. But Pakistan also fears a too precipitous American withdrawal that could reignite problems in its tribal areas and cause another wave of Afghan refugees across the border.

The U.S. faces challenges with regard to how best to address India-Pakistan tensions, including the problem of Kashmir, in a way that is not inconsistent with the arc of the U.S.-India relationship. While the Kashmir issue remains a major issue of concern for regional security in South Asia, the U.S. does not consider it productive to directly engage in the Kashmir issue given India's strong aversion to outside involvement. Yet, given the danger of the catastrophic escalation that the Kashmir problem presents, the U.S. must remain prepared to assume an active role in crisis management and mediation. This U.S. needs to do this even while its leverage in the region may be waning.

While U.S. and India have increasingly shared objectives, it is nevertheless important for the U.S. to avoid creating alarm within Pakistan as it strengthens its ties with India. Incremental U.S. reliance on India to serve as a strategic counterweight to China creates insecurities not only in Pakistan, but also in China. It is also unclear how far India is willing to go in serve U.S. interests in this regard. China is conciliating India in order to slow its gravitating to the U.S. The U.S. can also make similar attempts to conciliate Pakistan, which in turn would help reduce Pakistan's overreliance on China.

U.S. interests also come into play in terms of how Pakistan manages its relationship with China. While the China-Pakistan Economic Corridor (CPEC) will be discussed in more detail below, it must be noted here that the U.S. need not have a zero-sum view of growing Chinese involvement in Pakistan.

Even if the U.S. cannot match or replace Chinese economic investments in Pakistan, it can try to calibrate its bilateral relationship with Pakistan, alongside the reality of the growing Chinese presence within the country. Doing so could, in fact, enable the U.S. to offer Pakistan the possibility of improved bargaining with China, and avert the threat of compliance borne of debt-trap diplomacy. Moreover, there are opacity concerns surrounding CPEC projects within Pakistan that the U.S. could address. While the International Monetary Fund's re-engagement with Pakistan should facilitate more transparency around CPEC investments, the U.S. can build Pakistan's own capacity to assess CPEC projects, with the aim of helping it negotiate and/or renegotiate better terms. The U.S. has also provided technical input to other countries (such as Myanmar and Sri Lanka) in assessing BRI terms and conditions, lessons learnt which could be used to offer Pakistan relevant capabilities.

REINVIGORATING ECONOMIC, DEVELOPMENT, & ENVIRONMENTAL COOPERATION

Improving currently underperforming bilateral trade and investment is perhaps the single most effective means by which the two nations can better converge their interests and demonstrate the practical

value of improved relations. What is more, from a political standpoint, enhanced business and economic collaboration can serve as an important counterweight to national security-related irritants that may well persist.

Sluggish economic growth and challenging social conditions remain major issues of concern for Pakistan. With little to no likelihood for substantial increases in the U.S. government's direct economic assistance, a suite of enhanced commercial cooperation initiatives to enhance U.S.-Pakistan trade and investment flows becomes even more attractive. Expanded export opportunities in both directions can assist in building employment opportunities, as well as reducing trade deficits, issues of importance to both

nations, but perhaps with the greatest positive impact on Pakistan, given the relative sizes of the two economies.

While expanded commercial relations need some action by both governments, it can be led and sustained by both private sectors. Pakistan has made very significant progress in enhancing its attractiveness as a commercial partner. In recent months, the present U.S. administration has placed emphasis on business opportunities for large U.S.-based firms within Pakistan. The new U.S. Development Finance Corporation (DFC), in conjunction with other U.S. government trade and investment promotion and financing agencies, can mount a major, coordinated project in conjunction with Pakistani counterparts to identify a catalogue of key investment projects of potential interest to American



A laborer works on a loom at a factory in Pakistan's port city of Karachi on January 17, 2020. (Photo by ASIF HASSAN/ AFP via Getty Images)

firms. This effort can be supported by business delegations of private sector firms that can examine specific projects to assess how the U.S. and Pakistani governments can collaborate to provide necessary support. These projects should be focused on key industries in which American firms have technological and economic advantage (such as the information technology and clean energy sectors).

The U.S. can further help Pakistan develop an industry-led ethical sourcing program for the textile/garment sector. Doing so would make it possible for Pakistan to build on progress on worker rights and seek to regain American customers lost several years ago. An initiative to improve the Pakistan brand internationally would have a transformative effect on international market perception of the country.

While it is not feasible for the U.S. to offer Pakistan as expansive an economic partnership as China, the U.S. can offer Pakistan alternative options, or even explore supplemental opportunities, which can be aligned with CPEC. It is possible for the U.S. to align itself with the CPEC initiative via green technology investments. The U.S. government need not be directly involved in this process either. The private sector in the U.S. is spearheading green technologies and green growth, enabling states like Texas to become the largest wind producer. Encouraged by the U.S. government, U.S. green energy firms can make big gains in Pakistan, offering alternatives to the coal-dependent CPEC energy portfolio. U.S. firms have recently initiated a dozen wind energy projects in

Pakistan. There are, however, opportunities where the U.S. government could further facilitate this process by creating a mechanism to mobilize finance for clean energy projects within Pakistan along the lines of the recently created U.S.-India Clean Energy Finance Task Force.

Pakistan can be invited to join the State Department's Energy Resource Governance Initiative (ERGI), launched late last year, and which includes nearly a dozen other countries, including Australia, Brazil, Peru, and the Philippines, aiming to promote sound mining sector governance, and secure and resilient supply chains for critical energy minerals.

Besides enhancing private sector and its own bilateral economic engagements with Pakistan, the U.S. can also help to facilitate broader regional cooperation on cleaner energy projects. Progress on the India-Pakistan-Iran gas pipeline has been blocked as an outgrowth of U.S. tensions with Iran. However, the Turkmenistan-Afghanistan-Pakistan-India gas pipeline offers an alternative, which has extended from Turkmenistan into Afghanistan. The U.S. in its future involvement in Afghanistan should fast track the Afghanistan component of this project and encourage Pakistan and India to complete their segments of the pipeline.

The history of the U.S.-Pakistan relationship has deep roots, and it is a big asset in terms of institutional links and people-to-people contacts spread over generations. There is a sizeable diaspora in the U.S., and an extensive alumni network of U.S.-educated

Pakistanis, including civil servants and members of the armed forces. These are the under-appreciated assets in the relationship that can help make varied forms of interactions easier and more sustainable. There is, for instance, an unmet need for doctors and nurses in medically underserved areas in the U.S. Established Pakistani-American associations (such as the Association of Physicians of Pakistani Descent of North America) that could help address this need by bringing in trained Pakistani medical professionals to the U.S. as well as facilitating medical training of Pakistani doctors in the U.S., under an enabling environment of eased visa restrictions. Simultaneously, U.S.-based associations (such as the Organization of Pakistani Entrepreneurs of North America and others) can be harnessed to offer business internships and to help create social impact investment and bolster social entrepreneurship within Pakistan.

It is also possible to explore potential for a “narrow” bilateral trade agreement of the kind the current administration has concluded or envisioned in several markets, which may provide improved access to the U.S. market for Pakistani textile and apparel products in exchange for improved access to the Pakistan market for U.S. agricultural or other key products. A Reconstruction Opportunity Zone (ROZ)-like program can be introduced that would, as the earlier version had intended, promote economic development in the border areas of Pakistan and require a certain level of Afghan components be included into Pakistani products to receive duty-free treatment.

It is also possible to expand the U.S. Indo-Pacific Strategy to include Pakistan, thereby helping to expand major investment and other projects, including energy sector projects, via programs offered to nations under this initiative.

However, a gradual but steady approach to expanding the bilateral economic relationship is needed. In the short-to-medium term, matching specific opportunities to specific needs that could help U.S. investors and businesses partner with Pakistanis in ways that are mutually beneficial may be where to begin. Although a labor-intensive process, this more cautious approach offers prospects of yielding mutually beneficial results and building momentum for more ambitious initiatives, such as enhanced bilateral trade via the ROZ Initiative, and/or advocating for Pakistan's inclusion in the U.S. Indo-Pacific Strategy.

Alongside economic development and commercial activities, the U.S. has been a longstanding development aid donor for Pakistan. In recent years, attempts were made within the U.S. to increase non-military aid to Pakistan, but the thrust of this enhanced civilian aid (to supplement military support) became prescriptive – which was not always well received. While there may be little appetite for enhancing non-military aid to Pakistan at present, there is a compelling case for sustaining non-security funding to Pakistan via the Economic Support Funds and other relevant mechanisms. U.S. development aid to Pakistan should be viewed as a needed investment for not only yielding influence

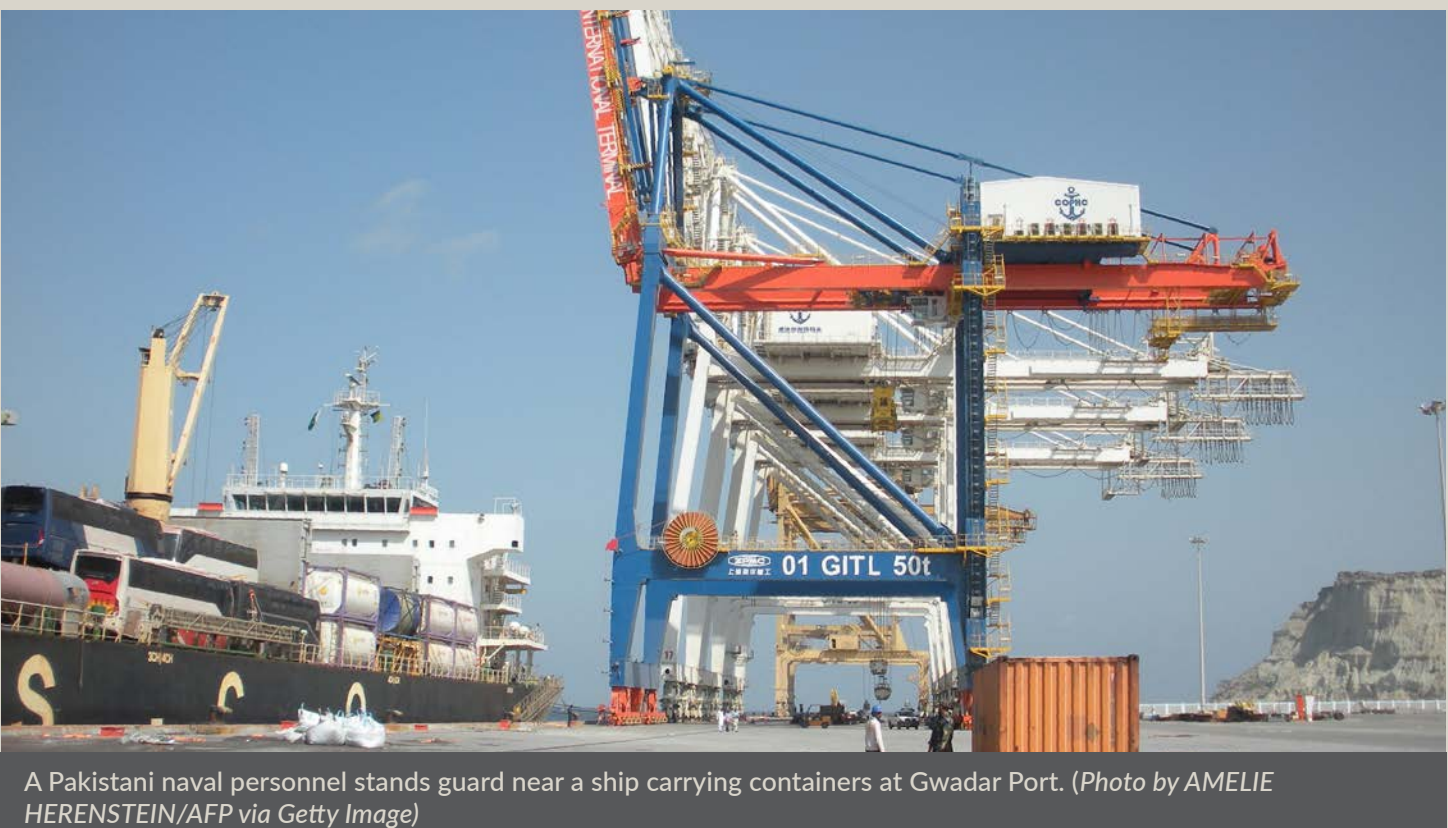
but building a more sustainable bilateral relationship and enabling Pakistan to better contend with emerging challenges.

Besides focusing on smaller people-to-people-programs, which help address economic empowerment, USAID can help address growing environmental concerns such as improving water management, contending with air pollution, and building climate change resilience. U.S. development aid can also intensify focus on supporting the aforementioned economic goals, such as creating an industry-led ethical sourcing program for the textile/garment sector, and building the capacity of smaller businesses, social impact start-ups, and social entrepreneurs.

COOPERATION ON SOCIAL & POLITICAL ISSUES

Alongside conventional security imperatives, it is also important to assess if the prospects for bilateral cooperation between Pakistan and the U.S. can be widened to a range of other areas of mutual interest. One area to consider is if, and then how, the U.S. can enable the furtherance of democracy and human rights in Pakistan.

Having struggled for some time with international image problems, Pakistan has, as already noted, succeeded in recent years in improving its internal security and shown notable progress toward crushing several militant groups that have threatened the Pakistani state itself. Faced



A Pakistani naval personnel stands guard near a ship carrying containers at Gwadar Port. (Photo by AMELIE HERENSTEIN/AFP via Getty Image)



with multinational financial sanctions, Pakistan has also taken some steps to curb financial flows to terrorist groups and it remains in Pakistan's interest to continue demonstrating the seriousness with which it deals with jihadi groups of its own creation.

There are, however, other important issues that merit attention. Within the post-9/11 context, Pakistan like many other countries has found it difficult to balance the need to preserve civil liberties and protect human rights while making an effort to counter terrorism and provide internal security. Counter to international norms, Pakistan has, particularly of late, allowed its security concerns to prevent citizens from expressing dissent, impeded the work of civil society organizations, and suppressed media freedoms. Importantly, Pakistan's handling of these issues has an important

bearing on the political will and support necessary to have Pakistan's legitimate interests heard by the U.S. and the broader international community.

U.S. policymakers have taken special interest in supporting the extension of the rights of women, and ethnic and religious minorities in Pakistan as well as in neighboring countries such as Sri Lanka, Bangladesh, and India. Federal agencies, such as the U.S. Commission on International Religious Freedom (USCIRF), have been increasingly concerned about religious intolerance in India, alongside that in Pakistan and other neighboring countries. It would also be useful to see the U.S. State Department's Bureau of Central and South Asian Affairs, take a more comprehensive view of these regional problems of erosion of political and human rights, the rise of religious extremism, and the growth of



authoritarian tendencies. Seeing the State Department and other relevant federal agencies adopting a regional approach to discussing human rights and democracy challenges in South Asia would help avert such discussions from being viewed as a convenient cudgel to admonish Pakistan.

Moreover, the way in which goals such as promoting democracy have been pursued also merits reconsideration. The U.S. has traditionally tried to assist Pakistan in improving its democratic culture by providing support for institution building. There has been some demand for, and provision of, democracy-building initiatives, including parliamentary exposure visits, and work with political parties, local governments, and civic groups. It is certainly possible to support additional platforms and delivery mechanisms to promote these goals. One example of how this can

be done is the extension of the U.S. State Department's sponsorship of Pakistani journalists on exposure visits to the U.S. Such programs are beneficial for creating a more nuanced understanding of the U.S. within Pakistan. Particularly important is the encouragement of critical thinking and enhancing the investigative skills of Pakistani journalists, to help avert biased reporting as well as broaden and deepen the analytical capabilities of these opinion makers for addressing internal debates concerning democratic deepening and the protection of human rights. There is also potential to further tap into other intellectual spaces within Pakistan, including think-tanks and universities, where many dedicated analysts are working on socio-cultural and political reforms.

It is necessary to acknowledge the differences within Pakistan over what it needs from the U.S. in terms of building its democratic culture or promoting human rights values. Certain elements within Pakistan remain disappointed that the U.S. does not do enough, while others think the U.S. is trying to do too much. Not all of Pakistan is thus on the same page concerning the support of democratic culture within the country and what role, if any, the U.S. can play to contribute to furthering democracy.

RECOMMENDATIONS

Among those actionable policy initiatives able to contribute to making the Pakistan-U.S. bilateral relationship stronger and more resilient, the following are recommended:

SECURITY ISSUES

- U.S. cooperation with Pakistan on countering the threat of international terror groups (especially al-Qaeda and Islamic State) should not end as the U.S. footprint in the region is reduced. It is important for the U.S. to respond to any new capabilities Pakistan requires to deal with shared terrorism threats as the U.S. security apparatus in the region scales back.
- The U.S. should also encourage intelligence cooperation between Pakistan and Afghanistan on militant groups such as al-Qaeda and Islamic

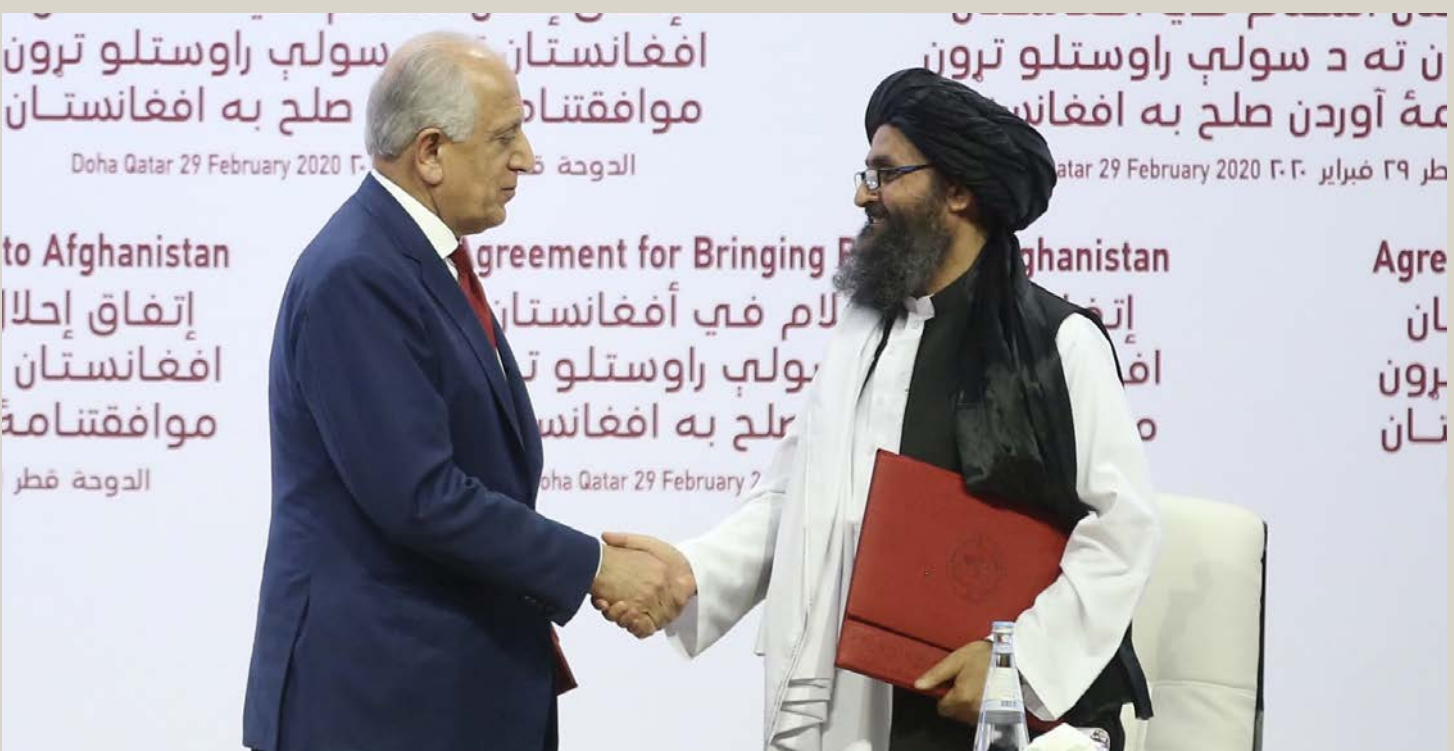
State, which will be made easier if an intra-Afghan dialogue results in the creation of a consensus government.

- The recent restoration by the U.S. of IMET, a low-cost security assistance program that has proven over time to pay a relatively large dividend in maintaining open lines of communication with Pakistan during difficult times, can serve as a model for security cooperation.
- Besides trying to encourage renewed dialogue between India and Pakistan designed to avoid miscalculation and defuse any escalating conflict over the Kashmir issue, the U.S. should make clear its readiness to assume a crisis management role. It should be willing to provide, if asked, the technology that can contribute to enhanced border management.

ECONOMIC, DEVELOPMENT, & ENVIRONMENTAL ISSUES

- The U.S. should find ways to support Pakistan that lessen Pakistan's economic reliance on China but not see that relationship as necessarily contrary to U.S. interests, especially to the extent that contributes to stabilizing Pakistan's economy. The U.S. should be able to find opportunities in CPEC itself and also enhance Pakistan's capacity to maximize its benefits and help mitigate the worst of what appears for Pakistan a debt trap.

- The U.S. DFC can coordinate and facilitate efforts to identify a catalogue of key investment projects focused on key industries in which American firms have a technological and economic advantage (e.g., IT and clean energy) and where they can explore collaboration, if possible, with Chinese enterprises in CPEC projects.
- The U.S. should encourage green technology investments through its private sector and by creating a Pakistan-specific mechanism, along the lines of the U.S.-India Clean Energy Finance Task Force.
- Pakistan should be invited to join the U.S. State Department's ERGI.
- The U.S. can continue playing a supporting role in the operationalizing of the Turkmenistan-Afghanistan-Pakistan-India gas pipeline, by helping Afghanistan fast-track completion of the Afghanistan phase of the project once the necessary security conditions are achieved.
- American-Pakistani professional associations can also help the U.S. government recruit Pakistani professionals to address the needs of medically underserved areas of the country, and to help train Pakistani medical professionals in the U.S.
- A gradual approach of matching specific needs to specific opportunities can build momentum for more ambitious cooperation (a "narrow" bilateral trade agreement, a ROZ-like program for



US Special Representative Zalmay Khalilzad (L) and Taliban co-founder Mullah Abdul Ghani Baradar (R) shake hands after signing the peace deal in Doha on February 29, 2020. (Photo by Fatih Aktas/Anadolu Agency via Getty Images)

Pakistan and Afghanistan, and/or expanding the U.S. Indo-Pacific Strategy to include Pakistan).

- There is a compelling case for sustaining non-security funding to Pakistan, which should continue focusing on gender and economic empowerment and addressing environmental challenges, and create opportunities for smaller business, social impact investments, and social entrepreneurs.
- U.S. development aid can also assist in creating an industry-led ethical sourcing program for the textile/garment sector within Pakistan
- The U.S. should consider an easing of travel restrictions for internships, mentoring and professional training opportunities for Pakistanis identified by established Pakistani-American professional associations.
- The U.S. government can provide specific opportunities for facilitating interactions and enhancing collaborations between South Asian civil society groups, journalists, and academics working on common problems related to similar democratic, human rights, and environmental challenges.
- To strengthen the U.S.'s diplomatic standing in the region, an assistant secretary of state for South Asia should be confirmed as soon as possible.

POLITICAL & SOCIAL ISSUES

- The U.S. should be on record as deeply concerned about recent Pakistan policies that have undermined media freedom, the right to express dissent, and the work of civil society organizations. The Pakistan government should be reminded of the price Pakistan pays in the international community for its security-driven actions.
- The democratic culture in Pakistan can be bolstered by the renewal of (presently winding down) State Department programs offering exposure and training opportunities to opinion makers like Pakistani journalists, and by giving support to Pakistani think-tanks and academics working on these issues.

CONCLUSIONS

While there remain serious divisions of interest between Pakistan and the U.S., there are, as discussed, various paths toward moving their bilateral relationship forward. Improvement is unlikely to come about quickly, especially since it involves overcoming the often-distorted images that both countries' policy elites and the wider public hold of each other. It is also necessary to acknowledge as well the presence of conflicting national interests that are likely to persist.

Security issues will continue to lead in what drives the U.S. and Pakistan together. However, security imperatives alone must

not hold other aspects of the bilateral relationship hostage. There is a need to address both security and other broader aspects of the bilateral relationship in tandem, especially because of their frequent interrelatedness.

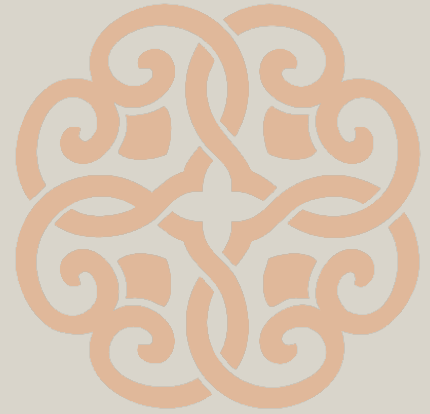
Creating a relationship premised on mutually defined priorities is difficult but not impossible. The incentives for stronger bilateral ties offer prospects of mutual economic opportunities, and a more congenial atmosphere within this populous and vital region of the world. This has never been an easy relationship but at different points in time when bilateral ties were ruptured both countries suffered. Pakistan's political and economic stability, and an overall strengthening of the state, are in the U.S.'s interest. Recent developments indicate that there is now increasing willingness in both countries to turn a new page in their bilateral relationship. The framework and suggestions put forth in this paper provide a comprehensive roadmap for harnessing the existing opportunity to create a more robust and long-lasting bilateral relationship.

The imperative for a more sustainable and productive relationship with Pakistan will continue to exist as long as the several U.S. foreign policy objectives in Pakistan and its region remain unmet. Increased tensions for the U.S. with Iran and the Gulf countries along with more strained relations with China and Russia thrust geographically strategic Pakistan and Afghanistan into this security dynamic. Absent a major presence in Afghanistan, the stakes for the U.S. in its ability to normalize its engagement

with Pakistan are bound to grow. With no urgency shaping the conversation, there may be no more opportune time for reexamining relations with Pakistan.

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