

PAKISTAN

MARVIN G. WEINBAUM

ISSUES

- Kashmir's disputed status will not fade as an issue for Pakistan. The Indian government's decision to remove the territory's special autonomous status has largely closed the door on a political solution and further embittered bilateral relations. Continuing cross-border violence could escalate into major armed conflict between these two nuclear-armed powers.
- The government of Pakistan is burdened by a gap between fiscal revenue and expenditures leading to an unsupportable debt. The austerity program intended to stabilize the economy has led to high inflation and greater unemployment and could bring on political instability. Coping with the COVID-19 health crisis has put further pressure on the struggling economy.
- Pakistan faces continued international scrutiny and criticism for its inconsistent efforts in dealing with domestic militant groups. Failure to take action to curb terrorist group financial transactions could lead to the multinational Financial Action Task Force blacklisting Pakistan for lax enforcement, a move that would be a severe blow to Pakistan's already struggling economy. Although there have been some positive signs, there are remaining concerns over whether the government of Imran Khan has the political will to clamp down on the country's violent extremists.

US INTERESTS

- The Pakistani government's cooperation remains critical to any chances of achieving a comprehensive Afghan peace agreement. An earnest crackdown on the country's militant extremist groups is necessary to prevent the Pakistan-Afghanistan border area from again emerging as a base of operations for regional and global terrorist groups. U.S. troop withdrawals from Afghanistan give this action greater urgency.
- The risk of nuclear proliferation from Pakistan's growing arsenal would increase were it to experience serious political and

economic instability that would impact the internal cohesion of the military, the caretaker of Pakistan's nuclear program. The U.S. is concerned that there be sufficient vigilance to ensure that militant groups do not penetrate nuclear facilities.

- Even low-level cross-border attacks in Pakistan's dispute with India over Kashmir can always escalate, increasing the possibility of a resort to nuclear weapons that would produce a massive humanitarian, economic, and environmental crisis. The U.S. finds encouraging the recent cease-fire agreement but has no illusions about its sustainability.
- The Chinese government's Belt and Road Initiative has brought Pakistan more closely into China's economic orbit, resulting in concerns that Islamabad could make concessions to Beijing that have strategic security consequences for the U.S. This possibility increases if tense India-China relations push Pakistan still closer to China and away from the U.S.

POLICY RECOMMENDATIONS

- The U.S. cannot afford to disengage from Pakistan and its region as it has in the past. Security and economic interests dictate that the U.S. not create a vacuum that China and others will fill. At a minimum the U.S. should strive to retain serious intelligence assets and the capacity to mount counter-terrorist operations. It must also retain sufficient diplomatic leverage with India and Pakistan for a mediating role in a future crisis.
- In lieu of many of its traditional economic aid and development programs, the U.S. government should prioritize increased trade and investment as a means of cementing a cooperative relationship with Pakistan.
- The U.S. must strive for a more consistent and reliable relationship that avoids the rollercoaster relationship it has experienced with Pakistan for decades. This will require a better understanding of shared and divergent national interests, and the avoidance of unrealistic expectations.