

MANAGING US RELATIONS WITH PAKISTAN IN UNCERTAIN TIMES: OBSTACLES AND OPPORTUNITIES

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Key Points

- Pakistan is experiencing a confluence of serious challenges, including immense political polarization, an economic crisis, and resurgent terrorism. The already delayed general elections are supposed to be held in early February, but the confidence the new government will be able to muster remains to be seen.
- Following the U.S. withdrawal from Afghanistan, it has become increasingly evident that, far from being able to largely turn its back on Pakistan and the region, American strategic interests and other concerns demand continued attention and involvement.
- While the U.S. cannot displace Chinese ties with Pakistan, there is ample room for practical cooperation sensitive to both countries' national interests and in line with on-the-ground realities.
- The U.S. need not rehyphenate its approach to Pakistan and India, but American policymakers must realize that their strategic alliance with India has a direct impact on Pakistan and should consider taking concrete steps to alleviate resulting insecurities.
- The U.S. needs to avert a maximalist view of Chinese assistance and instead aim to work alongside China to engage with Pakistan, especially in areas where it has a competitive edge, like leveraging financing to help de-risk and encourage private sector investment.
- The U.S. and Pakistan should continue holding regular counter-terrorism dialogues to enable intelligence sharing on global jihadi networks and to help Pakistan contend with extremist groups within the country.
- Although the bilateral relationship has experienced significant stresses, it is in both countries' national interests to learn from the past and not let it hinder the prospects for mutually beneficial cooperation.



Pakistan is experiencing a confluence of serious challenges, including immense political polarization, an economic crisis, and the resurgence of terrorism threats. The already delayed general elections are supposed to be held in early February. Yet given the repeated calls by the upper house of parliament to further delay the polls,¹ and a sudden deterioration of the security situation with neighboring Iran on the heels of retaliatory cross-border strikes against militant outfits,² it remains uncertain when Pakistanis will be given a chance to vote in a new government. Moreover, amid accusations of blatant pre-election rigging, it also remains to be seen how long the incoming government will manage to stay in power, and the amount of legitimacy it will be able to muster.

Given this fluid scenario, it is difficult for other countries to calibrate their bilateral relationship with Pakistan. Rethinking its relationship with

1. Sarah Zaman, "Pakistan's resolution passes resolution to delay elections," *Voice of America*, January 5, 2024, <https://www.voanews.com/a/7428261.html>.

2. Usaid Siddiqui, "Pakistan-Iran attack updates: 9 killed near Iran's southwest border," *Al-Jazeera*, January 18, 2024, <https://www.aljazeera.com/news/liveblog/2024/1/18/pakistan-iran-attacks-live-at-least-7-killed-near-irans-southeast-border>.

Islamabad is particularly challenging for Washington, which has had longstanding but rather troubled relations with the country. After former Prime Minister Imran Khan's removal from office via a no-confidence vote in April 2022,³ the transitional setup and the new army chief have made efforts to reinvigorate Pakistan's relations with the U.S.

Following the U.S. withdrawal from Afghanistan, America's bilateral relationship with Pakistan may have come to hold less priority. If it was thought, however, that the U.S. could afford to largely turn its back on Pakistan and the surrounding region, it has instead become increasingly evident that American strategic interests and other concerns demand continued attention and involvement.

Pakistan is a large and nuclear-armed Muslim country. It maintains increasingly close ties with China. It is simultaneously engaged in a protracted rivalry with neighboring India, which needs to be contained to avert potentially catastrophic outcomes. While its relations with the Taliban regime are currently tense, Pakistan could have a stabilizing influence in Afghanistan. All of these issues are of significant importance for U.S. foreign policy. It is thus imperative that American policymakers take a longer view when it comes to dealing with Pakistan, especially at a time when great power competition is intensifying across South Asia. While the U.S. cannot displace Chinese ties with Pakistan, there is still ample room for American engagement with its longstanding ally, despite the many differences that have stressed U.S.-Pakistan relations over the past seven-plus decades. The U.S. can forge a practical and appropriate basis for continued cooperation with Pakistan that is sensitive to the national interests of both countries and is in line with the emergent on-the-ground realities in Pakistan as well as the broader region.

As the U.S. works with India to contain Chinese influence in South Asia, American foreign policy experts need to pay more attention to addressing Pakistani fears of India's growing military capabilities, which are being directly bolstered due to

New Delhi's strategic collaboration with Washington. At the same time, even if China further tightens its strategic embrace of Pakistan, the Pakistani establishment seems keen to remain engaged with the U.S. Washington can thus continue to partner with Islamabad, especially in areas where it maintains a competitive advantage over Beijing. The U.S. can use the varied financing mechanisms at its disposal to encourage more private-sector investment in emergent opportunities in Pakistan made possible due to ongoing Chinese infrastructure and energy investments in the country. Specialized U.S. development, financing, and trade entities can promote the adoption of green technologies and help enhance climate resilience. The U.S. could also provide more transparent mechanisms to enable Pakistan to benefit from its critical mineral reserves. In addition, the U.S. can deepen capacity-building support by offering training opportunities to lower-level administrators and technocrats. The U.S. should continue counter-terrorism cooperation with not only the country's military intelligence but also with its civil institutions to avert the reemergence of global jihadi networks within Pakistan, as well as in neighboring Afghanistan. The U.S. could explore possibilities for supporting Afghan refugees within Pakistan, improve border management processes to enable ease of movement of Afghan citizens, and provide more livelihood opportunities for ordinary Afghans by making border trade facilities more effective.

The U.S. lacks the goodwill and leverage inside Pakistan at present to directly promote democratic norms to address its civil-military imbalance. Yet it can still exercise considerable influence via international financial institutions, especially the International Monetary Fund (IMF), to urge effective governance, avert domestic repression, and deter further destabilization that can have major adverse impacts for Pakistan and for the strategic balance within South Asia.

U.S. policymakers should not view their relationship with Pakistan through the lens of furthering strategic objectives in other countries, such as China or Afghanistan. That said, the U.S. cannot develop a meaningful relationship with Pakistan that does not consider broader regional realities, either. A growing terrorist threat within Pakistan, for instance, would not only dampen its chances of economic recovery, a suspected cross-border attack by a

3. Cyril Almedia, "What led to leader Imran Khan's downfall in Pakistan," *Al-Jazeera*, April 9, 2022, <https://www.aljazeera.com/news/2022/4/9/analysis-end-of-imran-khans-term>.



Photo above: A family rides past a decoration in the shape of the national flags of China and Pakistan installed along a road ahead of the visit of Chinese Vice Premier He Lifeng, in Lahore on July 30, 2023. Photo by ARIF ALI/AFP via Getty Images.

terrorist outfit operating from Pakistani soil could trigger another dangerous confrontation with India, which in turn could spin out of control. Ignoring Pakistan or even aiming to confine America's relations with it to only focus on containing the resurgence of terrorism would also not be sufficient to alleviate Pakistan's increasing security and economic challenges, which could compel it to become more dependent on China. Conversely, a security-dominated relationship with Pakistan would not bode well for contending with the growing authoritarianism and polarization within the country. The U.S. has important reasons for maintaining bilateral relations with Pakistan, but this bilateral relationship needs to be practical and carefully calibrated to avoid causing disappointment on either side, to prevent fueling fears of American domination, and to fend off allegations of America again treating Pakistan as a client state.

The following recommendations, thus, suggest a way to deal with Pakistan in a manner that is cognizant of both American and Pakistani foreign policy and economic objectives, grounded

in the emergent social-political dynamics inside Pakistan, and considers the neighborhood within which it is situated.

- The U.S. needs to exercise caution in managing the emergent tensions between Iran and Pakistan. While the U.S. has already condemned the Iranian aggression in Pakistan, it must remain wary of enflaming these tensions, which may serve the short-term goal of pushing back against Iran but will increase the risk of destabilizing Pakistan and exacerbating the sectarian element in its ongoing internal security threats.
- The U.S. need not rehyphenate its approach to Pakistan and India, but American policymakers must realize that their strategic alliance with India has a direct impact on Pakistan and should consider taking concrete steps to alleviate Pakistani insecurities triggered by growing U.S.-India strategic collaboration.
- The ongoing diplomatic row sparked by the alleged Indian assassination of a Sikh dissident on Canadian



Photo above: U.S. Secretary of State Antony Blinken (R) meets with Former Pakistani Foreign Minister Bilawal Bhutto Zardari (L) at United Nations headquarters in New York on May 18, 2022. Photo by EDUARDO MUNOZ/POOL/AFP via Getty Images.

soil, as well as the uncovering of an Indian plot to assassinate a Sikh in the U.S., has become a cause of international consternation. Washington should consider taking a stronger stance on ongoing suppression of religious minorities and human rights violations within Kashmir by the right-wing Indian government.

- The U.S. needs to avert a maximalist view of Chinese assistance to Pakistan and instead aim to work alongside China to engage with Pakistan, especially in areas where the U.S. has a competitive edge. This would also serve as a useful model for coexisting with China in many other economically stressed countries that participate in the Belt and Road Initiative (BRI).
- The U.S. can leverage significant financing via entities like the International Finance Corporation and the Development Finance Corporation to help de-risk and encourage greater private sector investments in as yet untapped manufacturing opportunities within Pakistan made possible by recent Chinese infrastructure

development projects. More diversified foreign investments in Pakistan in turn will also enable Pakistan to avoid a Chinese debt-trap.

- The U.S. can use newly created initiatives such as Blue Economies⁴ to enable sustainable use of marine resources to not only facilitate economic growth but also improve livelihoods, especially of marginalized fishing communities in coastal areas of Sindh and Baluchistan. It can channel more funds to the U.S.-Pakistan Green Alliance⁵ framework to strengthen

4. "USAID Announces New Programs to Protect Our Ocean at the 2023 Our Ocean Conference," *USAID Office of Press Relations*, March 3, 2023, <https://www.usaid.gov/news-information/press-releases/mar-03-2023-usaid-announces-new-programs-protect-our-ocean-2023-our-ocean-conference>.

5. "Fact Sheet: The U.S.-Pakistan "Green Alliance" Framework," *U.S. Embassy Pakistan*, <https://pk.usembassy.gov/wp-content/uploads/sites/76/20230407-Fact-Sheet-Green-Alliance-English.pdf>.

climate resilience, improve water efficiency, promote green energy transformation, and foster more inclusive economic growth, especially in Baluchistan. The U.S can also work with the Karachi Port Authority to pilot-test the Green Shipping initiative⁶ to enable more sustainable shipping practices.

- The United States Agency for International Development (USAID) and the United States Trade and Development Agency (USTDA) can better support green technology transfers and capacity building among Pakistani engineers and entrepreneurs to undertake projects in areas like methane abatement, which remains a serious yet largely unaddressed problem in the country. Climate-proofing Pakistan's existing infrastructure, which is prone to major damage during increasingly severe and recurrent flooding events, also merits similar attention.
- Pakistan has untapped critical minerals potential, and it is already supplying copper to China. Yet Pakistan needs to adopt better mining governance practices to not only maximize the economic benefits of supplying critical energy minerals but also to avert harm to local communities and the environment. The U.S. could help further these goals by including Pakistan within the Mineral Security Partnership,⁷ for example. Greater collaboration with Pakistan in this regard would additionally offer the U.S. access to a potentially transparent, predictable, and sustainable source of critical minerals, which is vital for transitioning to cleaner energy sources.
- U.S. policymakers should avoid compelling resource-constrained countries like Pakistan to choose sides

6. "Launch of the Green Shipping Challenge at COP27," *U.S. Department of State Office of the Spokesperson*, November 7, 2022, <https://www.state.gov/launch-of-the-green-shipping-challenge-at-cop27/>.

7. "Minerals Security Partnership Convening Supports Robust Supply Chains for Clean Energy Technologies," *U.S. Department of State Office of Spokesperson*, September 22, 2022, <https://www.state.gov/minerals-security-partnership-convening-supports-robust-supply-chains-for-clean-energy-technologies/>.

in a technological cold war; they will find it costly and difficult to disentangle already in-use technologies and to commit to the use of mutually exclusive Chinese or American technologies.

- The U.S. can bring more second-tier Pakistani administrators and technocrats to American community colleges for capacity building in managerial, information technology, and other professional skills — a less expensive and immediately impactful proposition than sponsoring Pakistani students to study in American universities for undergraduate and graduate degrees. Creating opportunities for second-tier Pakistani officials will enable more effective policy implementation, while also improving America's image within less exposed sections of the Pakistani establishment.
- While the U.S. needs to avoid the perception of interference in Pakistani politics, it can use its leverage over the IMF to exert indirect pressure upon Pakistan to prevent human rights abuses and improve its governance record to continue qualifying for loan packages after the current standby phase.
- The U.S. can send an election observer mission to Pakistan, like it has done in the past, for the next round of elections to not only monitor the electoral process but also to play a mediation role to minimize the threat of violence.
- The U.S. and Pakistan should continue holding regular counter-terrorism dialogues⁸ to enable intelligence sharing concerning global jihadi networks such as al-Qaeda and Islamic State-Khorasan Province in Afghanistan, and to help Pakistan contend with extremist groups within the country.
- The U.S. should consider broadening the scope of its security relations with Pakistan beyond cooperation

8. "Two-day U.S.-Pakistan Counterterrorism Dialogue Concludes in Islamabad," *U.S. Embassy Pakistan*, March 7, 2023, <https://pk.usembassy.gov/two-day-u-s-pakistan-counterterrorism-dialogue-concludes-in-islamabad/>.

with the military and its intelligence agencies and forge increased links with relevant civilian law enforcement agencies, including those engaged in countering terrorist groups and extremism on Pakistani soil.

- The U.S. can support the process of documenting Afghan refugees in the country to minimize refoulment and help improve Pakistan's border management capabilities in ways that curb cross-border infiltration without hampering trade or preventing travel by ordinary Afghans.
- The U.S. should support Pakistan to realize its plans to create vibrant border markets⁹ located along the Afghan border. The U.S. can also consider efforts to link Pakistan and Afghanistan to broader regional markets in a way that offers a longer-term possibility of creating a regional zone of American influence linking Pakistan, Afghanistan, and adjoining Central Asian republics.

Despite their longstanding ties, the bilateral relationship between the United States and Pakistan has experienced significant stresses, and the level of suspicion and acrimony between the two countries has not yet subsided. It is, however, in the national interests of both countries to learn from their past mistakes and not let bitter experiences hinder the prospects for mutually beneficial cooperation. There may be numerous issues American and Pakistani policymakers will not agree on, but these differences can be side-stepped to create a stable and beneficial bilateral relationship.

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9. Islamuddin Sajid, "Pakistan to set up 18 markets along Afghan, Iran border," *Anadolu Agency*, September 17, 2020, <https://www.aa.com.tr/en/asia-pacific/pakistan-to-set-up-18-markets-along-afghan-iran-border/1977225>.