

Pakistan-U.S. Relations – Building a Futuristic Partnership

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September 16, 2024

(Views expressed in the brief are those of the author, and do not represent those of ISSI)



Introduction

The United States has figured very prominently in Pakistan's foreign policy over the past 7 decades. This relationship has witnessed both complex and dynamic periods of cooperation. While the relationship has not progressed linearly throughout its history, the U.S. has remained Pakistan's important development and security partner. This relationship, for the most part, has remained victim to cyclical patterns, marked by periods of estrangement as well as close engagement. Being a major non-NATO ally, Pakistan has had the distinction of being both the most allied ally as well as the most sanctioned ally of the U.S.

Over several decades, the relationship has been significantly influenced by external factors and global developments, including the Soviet invasion of Afghanistan and the U.S. 'war on terror.' This resulted in a primarily security-centric approach which constrained the development of a broad-based comprehensive relationship. Despite the inconsistent nature of the relations, looking back in history, at any time that Pakistan and the U.S. have worked closely, both nations as well as the world have benefited. Pakistan played a pivotal role in facilitating the Sino-U.S. rapprochement in the 1970s, which decisively fitted the East-West balance in favour of the U.S.-led 'free world.'¹ Second, Pakistan

¹ The Beijing-Washington Back Channel and Henry Kissinger's Secret Trip to China, *National Security Archive*, Book no 66, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB66/>

helped the U.S. reverse the Soviet invasion of Afghanistan, which later culminated in the end of the Cold War.² Thirdly, Pakistan became the front-line ally of the U.S. in the War on Terror (WoT) to fight terrorism in Afghanistan in the aftermath of the 9/11 terror attacks. Most recently, Pakistan facilitated peace talks between the U.S. and the Taliban, which eventually led to the U.S. withdrawal from Afghanistan.³

Today, the relationship yet again stands at another crossroads and inflection point. Evolving global and regional dynamics, changing global geostrategic landscape, and major-power competition are some of the new determinants of Pakistan-U.S. relations.

Current Pace of Relationship

On the bilateral level, Pakistan and the U.S. are working to lend stability to the relationship in the changing world order, especially after the U.S. withdrawal from Afghanistan in 2021. While counter-terrorism has remained an area of major convergence, the focus of cooperation has shifted from a security-centric approach to other areas such as trade, non-traditional security issues, and human development. This shift is also in sync with Pakistan's pivot to geo-economics and embrace of comprehensive security approach.

Regional and Global Front:

While a terrorism-free, peaceful, and stable Afghanistan remains a point of convergence, the U.S. withdrawal from Afghanistan has corresponded with a decreased degree of engagement on multiple levels between Pakistan and the U.S. On the other hand, the growth of Indo-U.S. strategic partnership, New Delhi's upgradation to the role of a 'net security provider' within the 'Indo-Pacific' construct, and the dispensation of BJP-RSS pursuit of 'Hindutva' ideology have created new formidable challenges for Pakistan.

On the global front, the intensifying U.S.-China competition has repercussions for Pakistan-U.S. relations. While China is a strategic partner of Pakistan, the U.S. has been an ally and long-standing friend. Islamabad has always worked to maintain simultaneously good relations with both Beijing and Washington. Despite the deepening of the China-U.S. rivalry on the global stage, Pakistan has strived to sustain mutually beneficial relations with both sides. However, the fallout of this competition

² Marvin G. Weinbaum, "War and Peace in Afghanistan: The Pakistani Role," *Middle East Institute*, Volume. 45, No. 1, Winter 1991, <https://www.jstor.org/stable/4328240>

³ Pakistan Welcomes Signing of the U.S.-Taliban Peace Agreement, *Ministry of Foreign Affairs Pakistan*, February 29, 2020, <https://mofa.gov.pk/pakistan-welcomes-signing-of-the-u-s-taliban-peace-agreement>

remains especially important for Islamabad concerning the already fraught security dynamics in South Asia.

The Russia-Ukraine conflict has directly and indirectly impacted the tone of the relations between Pakistan and the U.S., as Pakistan has maintained neutrality over the issue regardless of the heightened geopolitical tensions. The U.S. has shared its sentiments over Pakistan's neutrality on the issue and cautioned Pakistan over the impact that Russia's actions against Ukraine could have on regional and global security.⁴

Dialogue and Cooperation:

In the past few years, both countries have come together to explore new vistas of cooperation and have signed multiple agreements in different areas covering traditional and non-traditional security issues. There has been a wide range of dialogues between Pakistan and the U.S. on issues of mutual interest including counter-terrorism, climate change, technology, and health, among many others.

Since 2022, direct U.S. investments in Pakistan have increased by 50%, marking an all-time high in over a decade.⁵ Similarly, more than 80 U.S. firms registered with the American Business Council of Pakistan and the American Business Forum have a strong presence in Pakistan with a collective investment of \$1.5 billion in Pakistan generating annual revenue of approximately \$3 billion.⁶ These companies have profitable operations and franchises across a range of sectors, including agribusiness, financial services, healthcare services information, communications technology, and renewable energy. The Karachi-based American Business Council has 61 U.S. member companies; the Lahore-based American Business Forum, with 23 founding members and 22 associate members, also helps U.S. investors; while the U.S.-Pakistan Business Council, supports U.S.-based companies who do business with Pakistan.⁷

Security Cooperation:

⁴ Ayaz Gul, "Pakistan Vows Neutrality in Ukraine Crisis, Insists Ties with US on Track," *Voice of America*, March 6, 2022, <https://www.voanews.com/a/pakistan-vows-neutrality-in-ukraine-crisis-insists-ties-with-us-on-track/6472206.html>

⁵ "U.S. Relations With Pakistan," *U.S. Department of State*, August 15, 2022, <https://www.state.gov/u-s-relations-with-pakistan/>

⁶ "Pakistan — Market Overview," *U.S. Department of Commerce*, January 27, 2022, <https://www.trade.gov/country-commercial-guides/pakistan-market-overview>

⁷ "2022 Investment Climate Statements: Pakistan," *U.S. Department of State*, <https://www.state.gov/reports/2022-investment-climate-statements/pakistan/>

On the counter-terrorism front, the two sides have established a Pakistan-U.S. Counterterrorism Dialogue forum under which multiple rounds of dialogue have taken place. The forum underscores mutual cooperation in addressing challenges to regional and global security; expanding CT collaboration and capacity building; exchange of technical expertise; investigative and prosecutorial assistance; provision of border security infrastructure; and training of more than 300 police and frontline responders.⁸

Both Pakistan and the U.S. have ensured multiple high-level exchanges on the military front. During his visit to the U.S. in December 2023, Chief of the Army Staff (COAS) General Syed Asim Munir, met with key U.S. Government and Military officials such as Antony J. Blinken, Secretary of State; General Llyod J. Austin (Retired), Secretary of Defence; and General Charles Q Brown, Chairman of Joint Chiefs of Staff.⁹ Collaboration on CT and defence as well as matters of bilateral security and interests came under discussion, along with an understanding for continued engagement and expansion on mutually-beneficial collaboration.

In a follow-up to the COAS visit, Gen. Michael Erik Kurilla, Commander of United States Central Command (CENTCOM), visited Pakistan in May 2024 and met with Gen. Syed Asim Munir and other armed forces senior leaders. Their discussions focused on counter-terrorism efforts and the enduring military-to-military partnership between Pakistan and U.S. armed forces.¹⁰

Both countries have undertaken multiple bilateral military exercises including the fifth iteration of Exercise Falcon Talon, a bilateral Field Training Exercise focused on tactical-level counter-terrorism, air-to-ground weapons employment, and subject matter expert exchanges, held in Pakistan from June 1 - June 11, 2024.¹¹ Naval exercises have also been regular between the two sides with the last round held in May 2024 named Inspired Union 2024, in Karachi. The four-day bilateral training exercise included maritime interdiction operations, explosive ordinance disposal mine counter-measure tactics, techniques, procedures, and harbor security.¹²

⁸ Joint Statement of Pakistan-U.S. Counterterrorism Dialogue, *Ministry of Foreign Affairs*, Pakistan, May 13, 2024 <https://mofa.gov.pk/press-releases/joint-statement-of-pakistan-us-counterterrorism-dialogue>

⁹ "COAS visit to the U.S.," ISPR, December 15, 2023, <https://ispr.gov.pk/press-release-detail?id=6697>

¹⁰ "USCENTCOM Commander Visits Pakistan," *U.S. Central Command*, May 9, 2024, <https://www.centcom.mil/MEDIA/PRESS-RELEASES/Press-Release-View/Article/3770726/uscentcom-commander-visits-pakistan/>

¹¹ Talons Entwined: Exercise Falcon Talon 2024, *U.S. Air Forces Central*, June 25, 2024, <https://www.afcent.af.mil/News/Article/3816950/talons-entwined-exercise-falcon-talon-2024/>

¹² "U.S., Pakistan Forces Complete Exercise Inspired Union 2024," *U.S. Naval Forces Central Command*, May 2, 2024, <https://www.cusnc.navy.mil/Media/News/Display/Article/3762670/us-pakistan-forces-complete-exercise-inspired-union-2024/>

Economic and Trade Cooperation:

Despite the U.S. being Pakistan's largest export market and one of the top trading partners of Pakistan, trade between the two countries has remained far below the potential. In 2023, Pakistan and the U.S. held the first Ministerial meetings since 2016 under the U.S.-Pakistan Trade and Investment Framework (TIFA), the primary vehicle to address obstacles to bilateral trade and strengthen commercial ties.¹³ The U.S.-Pakistan Bilateral Investment Treaty (BIT) negotiations began in 2004 and the text closed in 2012; however, the agreement has not been signed and in 2022, Pakistan declared its intention to pull out of BITs currently in force.¹⁴

Bilateral trade with the U.S. exceeds \$9 billion with a surplus of \$3 billion in Pakistan's favour.¹⁵ Similarly, the U.S. has invested heavily through direct funding in the multiple developmental sectors in Pakistan, including upgradation of dams, flood recovery, investment in clean energy, smart agriculture, health, education, rehabilitation, preservation of cultural heritage, justice and security and exchanges. In addition, the U.S. has invested heavily in multiple sectors in Pakistan including consumer goods, chemicals, communication, energy, agriculture, and transportation.

During the past two years, the U.S. has pursued furtherance of commercial ties, with senior U.S. officials from the Department of State, Department of Commerce, as well as the International Development Finance Corporation (DFC) regularly engaging with their counterparts in Pakistan.

Non-Security Cooperation:

Beyond investment and trade, Pakistan and the U.S. are keen to establish cooperation on the non-security front. Both countries have recently entered into agreements to boost bilateral cooperation on clean energy, climate action, health, and education. Non-security areas such as technology, climate, education, and health are increasingly becoming avenues of renewed partnership and collaboration. These sectors offer opportunities for collaboration at the inter-departmental level and inter-institutional level which transcends political dynamics.

More recently, the two countries have enhanced climate action efforts, under the U.S.-Pakistan Green Alliance, which promises economic growth, improves the quality of life, and provides a model for other

¹³ "The Future of Pakistan and U.S.-Pakistan Relations," *Center for Strategic and International Studies*, February 20, 2024, <https://www.csis.org/events/future-pakistan-and-us-pakistan-relations>

¹⁴ "2022 Investment Climate Statements: Pakistan," *U.S. Department of State*, <https://www.state.gov/reports/2022-investment-climate-statements/pakistan/>

¹⁵ Remarks by the U.S. Ambassador Donald Blome at a Conference at ISSI, Institute of Strategic Studies Islamabad, July 24, 2024

countries to follow.¹⁶ It also provides an opportunity to revive cooperation on energy, enabling Pakistan to double its renewable energy mix over the next 8 to 10 years.

In addition, both countries are working on energy transition from non-renewable to renewable resources. These discussions are taking place in the Climate and Environment Working Group, focused on climate and environmental issues, including energy transition, water management, climate-smart agriculture, biodiversity, and waste management building resilience to the impacts of climate change.¹⁷

Moreover, the U.S. has commenced a five-year initiative to strengthen higher education in Pakistan through USAID programs, by allocating \$19 million in funds.¹⁸ The program aims to increase teaching and research programs and benefit 15 public universities across Pakistan.

Sustaining the Partnership:

To build a sustainable partnership it is imperative to address the residual and structural issues in the relationship. Equally important is to seek mutually beneficial opportunities within the current global environment. Multi-sectoral engagement with increased focus on health, education, energy and resource management, technology, science, and innovation must be developed. Slowly, but steadily, the relationship is moving towards a new phase. However, the non-security bilateral relations must prudently navigate through present and future strategic challenges. Pakistan in its interaction with the U.S. must convey that the new phase should center on bolstering economic activity, human security, and threats of climate change, trade and connectivity, regional security amongst others.

Moreover, for a sustainable and comprehensive future partnership, it is imperative that it develops on the basis of mutual respect, mutual interest and mutual benefit. Further, Washington must show due sensitivity and responsiveness to Pakistan's legitimate security concerns and every effort must be made to ensure there is no detrimental effect for Pakistan of the burgeoning U.S.-India strategic partnership.

¹⁶ Mian Ahmad Naeem Salik, "US-Pakistan Green Alliance: Advancing Bilateral Cooperation on Sustainable Development," *Institute of Strategic Studies Islamabad*, April 21, 2023, <https://issi.org.pk/issue-brief-on-us-pakistan-green-alliance-advancing-bilateral-cooperation-on-sustainable-development/>

¹⁷ Joint Statement on U.S.-Pakistan Climate and Environment Working Group, *U.S. Embassy & Consulate in Pakistan* March 16, 2023, <https://pk.usembassy.gov/joint-statement-on-u-s-pakistan-climate-and-environment-working-group/>

¹⁸ "The United States and Pakistan Launches an Initiative to Strengthen Higher Education," *U.S. Embassy & Consulate in Pakistan*, May 12, 2022, <https://pk.usembassy.gov/the-united-states-and-pakistan-launch-an-initiative-to-strengthen-higher-education/>

Way Forward

Moving ahead, a multi-dimensional policy approach is essential to foster a pragmatic and sustainable Pakistan-U.S. engagement. Pakistan must have its foreign policy priorities on lines which align with its national interests. To build a comprehensive partnership, public diplomacy linkages must also be strengthened. There is a growing need to tap into soft diplomacy and image-building through increased people-to-people and cultural exchanges, as well as joint research and increased scholarships.

Likewise, the U.S. must have a clear policy toward Pakistan, one that is not overshadowed by events around the globe or other U.S. strategic alliances including in South Asia. Successive U.S. administrations have time and again failed to establish a balanced and robust foreign policy approach towards Pakistan; one that is not burdened with strategic underpinnings and has often failed to accord Pakistan the importance it deserves.

While partnering on security-related issues is crucial, it is equally important to explore and identify cooperation in non-security areas. In the context of rapidly transforming global realities and challenges, recalibrating the fundamentals of the relationship is more important than ever. To overcome the multilayered range of challenges it is pivotal to put together a broad spectrum of policy planning, with a new and improved vision of constructive engagement and forms of partnership at the bilateral, regional and international levels.