

Pakistan-US Relations: Rethinking the Dependency Relationship

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Abstract

The relations between Pakistan and the US have always remained asymmetrical – in nature akin to any such bilateralism where one country, given its status as a global power is able to relegate a smaller country as a peripheral or a total dependency status – one that exists between a dominant and a dependent country. The tensions between both the countries escalated to unprecedented levels with the beginning of 2018 when the US chose bullying as its choice of policy towards Pakistan. As a result of Trump’s policy overtures in the past one year, Pakistan opted for strategic closeness with its long-standing friend China and, hence, Islamabad initiated a policy of rapprochement with other countries including Russia and Turkey. The roots of Pakistan, as a peripheral state, are not a post-independence phenomenon instead their origin lies all the way colonial period inclusive of the unequal distribution of assets at the time of independence in 1947. The main focus of this paper is to evaluate Pakistan-US relations in light of the dependency theory. The paper will also attempt to highlight the evolving nature of Pakistan’s profile from a periphery country to a semi-periphery state, with lesser dependence on the core. In addition, this paper will also examine Pakistan’s relationship with other regional countries and the challenges faced by the former given the transitioning nature of Pakistan-US relations.

Keywords: Dependency, Pakistan, US, Development, Transition, Periphery, Core.

Introduction

The US was amongst the first countries to have established diplomatic relations with Pakistan. Rather than building an alliance with the US based on shared values, trade and economy, Pakistan’s internactions in its nascent years with the US remained need-based and, at best, transactional. Pakistan needed the US to counterbalance its asymmetric defence equation with India, while the US needed Pakistan to contain the then growing Soviet influence.

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To understand the dependency theory, it is important to understand what dependence implies in the realm of international relations. It is a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected.¹ The developed countries of today's world have never been underdeveloped though they may have been undeveloped. The countries like the US have either maintained the status of a metropolis or have economically colonised the underdeveloped nations.

Many argue that the economic dependency or under-development of a country is a reflection of its own failing policies, as well as political, social and cultural barriers. While it may partially be true, the following sections would demonstrate that the contemporary underdevelopment of Pakistan is the by-product of the relationship between a dominant core, the US and a periphery state, Pakistan. It is also one of the main reasons why Pakistan's economy has remained unable to grow and sustain itself on its own for a longer period and faced balance of payments issue.

This paper will build upon the theme of Pakistan-US relations in light of the dependency theory with a critical analysis of its classical theory by Prebisch. It will also take help from the Prebisch-Singer term of trade thesis (PST), also known as the Prebisch-Singer hypothesis. The PST highlights that the gains from international trade ratio are unequally distributed between the developing and the developed country. According to the theory, the developing country (periphery) is exporting primarily raw goods and the developed country (core) is exporting manufactured goods made from the same raw material.² Prebisch looked at the global economy as a single unit embedded with deep structural asymmetries, faced by the developing countries.³

¹ Theotonio Dos Santos, "The Structure of Dependence," *American Economic Review* 60, no. 2, Papers and Proceedings of the Eighty-second Annual Meeting of the American Economic Association, (May, 1970), American Economic Association, http://web.unair.ac.id/admin/file/f_20003_Dos_Santos_Structure-LAMPIRAN_3.pdf

² Matias E Margulis, ed., "Introduction," *The Global Political Economy of Raúl Prebisch* (Routledge: Abingdon & New York, 2017), <https://www.routledge.com/The-Global-Political-Economy-of-Raul-Prebisch/Margulis/p/book/9781138219779>

³ *Ibid.*, 8.

Theoretical Framework

Core and periphery ideology has remained an essential contribution of the Third World scholars; e.g. in 1920 German geographers suggested something similar, as well as the Romanian sociologists in the 1930s.⁴ However, the theme became a significant focus of social scientist after Raúl Prebisch work in the 1950s. There are serious debates and disagreements among the lineage of dependency theory and, while there is no one unified theory of dependency, there are some core propositions which underlie the analyses of the theory.

Prebisch's idea emphasised the differences in market structures, goods prices as well as labour in the dependent and developing markets (periphery) and the industrialised market (centre), while Singer emphasised on the differences in price and income between primary commodities and manufactures. It implies that barring major changes in the structure of the world economy, the gains from trade will continue to be distributed unequally (and, some would add, unfairly though) between nations exporting mainly primary products and those exporting mainly manufactures.⁵

In the later years, Andre Gunder Frank, a German-American sociologist, taking a cue from the dependency theory, coined the term “development of underdeveloped.” In his argument, he refers to the core as the ‘metropolis’ and periphery as ‘satellite.’ In his work, he claims that the exploitative nature of the relationship between the core and the periphery has been evident throughout history. Many examples can be taken from the times of slavery in the West to the period of colonisation. The western countries in the past and even today have maintained a monopoly over international trade by the help of establishing large corporations and multinational giants.

Immanuel Wallerstein, in his book *World System Analysis*, describes the basic premise of the dependency theory, stating that some countries are more established economically than the others, highlighting a formidable

⁴ Immanuel Wallerstein, *World Systems Analysis; An Introduction* (Durham and London: Duke University Press, 2004), 24.

⁵ John Toye and Richard Toye, “The Origins and Interpretation of the Prebisch-Singer Thesis,” in *History of Political Economy* 35, no. 3, (Fall 2003), <https://core.ac.uk/download/pdf/12825450.pdf>

flaw of ‘unequal trade’ where the core can trade on conditions that allow surplus-value to flow from the weaker (periphery) states.⁶ Wallerstein writes that in the world-system analysis core-periphery is rather a ‘relational concept.’⁷ In a capitalist economy, an axial division of labour exists between the core production and the peripheral production, nonetheless, profit remains remarkably high from the processes that are more ‘monopolised’ than the other, making cores countries wealthier.

Dependency theory first emerged in recent history during the 1950’s while it gained prominence in the later years. The theory emerged as a response to the unequal economic distribution between the developed and the underdeveloped countries. The theory was developed under the guidance of the Director of the United Nations Economic Commission of Latin America,⁸ Raul Prebisch. There are two categories of countries in Prebisch dependency theory: i) the core — first world nations and; ii) the periphery — poor or third world countries. The main argument of the Prebisch dependency theory underpinned the idea that the economic activity and growth in a richer or the core country that has serious implications on the periphery country eventually leading to a serious economic crisis.

This cycle of constant dependence can also be linked with the idea of dependency theory by Karl Marx which highlights economic structuralism and the economic relationships between economically rich core countries and the economically poor the periphery states.⁹ It is a thought that explains underdevelopment as the result of the processes by which poor countries and regions are incorporated into the capitalist world economy.¹⁰

Inevitably, the poor countries end up being a market of raw material with less likelihood to cultivate means to develop the raw material into a

⁶ Wallerstein, *World Systems Analysis*.

⁷ Ibid.

⁸ Vincent Ferraro, “Dependency Theory; An Introduction,” in *The Development Economist Reader*, ed. Giorgio Secondi (London: Routledge, 2008), 58-64.

⁹ Alfonso Llanes, “What is the Relevance of Dependency Theory of International Relations Today?” Medium, January 20, 2018, <https://medium.com/@alfonsollanes/what-is-the-relevance-of-dependency-theory-of-international-relations-today-22e27a293165>

¹⁰ Jeffrey D Wilson, “Dependency Theory in International Relations,” in *Encyclopaedia of Power*, ed., Keith Dowding <http://dx.doi.org/10.4135/9781412994088.n98>

product themselves. Hence, they export their primary commodities to the richer countries that manufacture the product and return it back to the periphery country with a value-added cost. This eventually results in the advancement and growth in a richer country does not make the dependent state rich or provide any sort of sustainable economic growth to the periphery country. The theory suggests that the economic activity inside an economically rich country results in igniting economic as well as national interest issues within the poor or the periphery country. The benefactor, in this case, remains the richer powers as they inflict their interests on the political, national as well as economic policies of the recipient country, by influencing their development, political, national as well as economic policies.

Basic Components of the Dependency Theory

Examining the detailed writings of different sociologists and economists, three main components or important features of the dependency can be chalked out which help explain the deep architecture of the theory.

- a) The international system is the most important component of the dependency theory which underpins the equation of:
 - i. The core state which is wealthy and economically diverse is powerful both economically and militarily with its stronger state institutions.
 - ii. The dependent states are less developed in contrast to the dominant state. They are dependent on the core states to build their economies through loans and financial assistance.
- b) Singular external force: another defining component of the dependency theory is the existence of a singular external force. This means there exist an unequal balance that gives core the opportunity to exploit the resources of the dependent country not only in terms of economic resources but also by controlling the political and institutional stage of the dependent country.
- c) Reinforcement of unequal patterns: the concept of the theory focuses on the discord between the two poles. It also amplifies the

reinforcement of unequal patterns and episodes that exists between the two and corresponds with any event or occurrence.

This evaluation further strengthens the argument that, even in a capitalist structured economy, profit lies more with the system where monopoly rests with the core or a dominant country. This debate is relevant till day. The world economy has expanded throughout the globe, however, certain few profit the most primarily since the world-system and the economies were then located and driven from the developed part of the globe like Europe and the US as they are today.

The semi-periphery countries or regions are those that, unlike absolute 'peripheries,' are ideally positioned between the core and the peripheral states, with considerable potential for industrialisation and development. Semi-peripheral states can manoeuvre flexibly in the capitalist economy as they are periphery to the core and act as core to come to peripheral countries.¹¹ They are different from the periphery as they have the room and capacity for industrial growth and technology.

Characteristics of a Semi-Periphery State

There are three main components that help identify a semi-periphery state.

- a) Semi-periphery countries are more powerful than the periphery states but less powerful than the core.
- b) They have the capability to develop industries themselves and manufacture their own products.
- c) They have the capability to progress into a core state.

The concept of semi-periphery nations, under the theory of the world systems, will help to substantiate that Pakistan today is not among the periphery states as it was at the time of independence and during its early years. In the past few years, Pakistan has outlived its status as a classical periphery to semi-periphery and a developing nation. The economy, over the past several years, has seen a steady increase. According to the estimates by the World Bank, Pakistan's GDP has grown from US\$73.952

¹¹ Immanuel Wallerstein, "Semi-Peripheral Countries and the Contemporary World Crisis," *Theory and Society* 3, no. 4 (Winter1976):463, <https://www.jstor.org/stable/656810>

billion to US\$312.57 billion from 2000 to 2018.¹² It has all the basic qualities that make it eligible as a semi-peripheral nation as far as its interface with the US is concerned.

Considering the relationship between the core and the periphery as well as to gain a better understanding of the phenomenon of dependence in Pakistan which led to aid dependency, one must investigate the history of the relationship between Pakistan and the US. It will be useful, to begin with, the initial years of the country and its security as well as socio-economic evolution over the years.

Complicated History

Pakistan and the US have had a complex history of relations. The relations had veered between alliance intimacy and cordiality to indifference and at times friction and tension.¹³ The early decades of Pakistan's relationship with the US revolved around a singular objective. The US wanted to maintain its hegemony in the region to curtail the expansion of communism while Pakistan looked at the US as a means to overcome its security dilemma and balance of power vis-a-vis India. Pakistan's security dilemma and Washington's strategic objectives gave rise to the element of dependency as the building block of Pak-US relationship. Low level of economic development pushed Pakistan to rely and depend on the US not just to overcome its strategic shortcomings but also to sustain itself economically. As a result, Pakistan got compelled to move into the US bloc in order to meet its security needs, which led to its membership of South-East Asian Treaty Organisation (SEATO) and Central Treaty Organisation (CENTO).¹⁴

¹² "Country Data: Pakistan," World Bank,
<https://data.worldbank.org/country/pakistan>

¹³ Dennis Kux, "The United States and Pakistan 1947-2000: Disenchanted Allies," Woodrow Wilson Centre Press, Washington D.C., 2001, 359.

¹⁴ Sanchita Bhattacharya, "US Pakistan Relations in the Context of 21 Century," *US Foreign Policy, Rise and Decline*, ed. Ravjeet Singh Atwal (Research Gate, 2016), https://www.researchgate.net/profile/Dr_Sanchita_Bhattacharya/publication/311327587_US-PAKISTAN_RELATIONS_IN_THE_CONTEXT_OF_21_ST_CENTURY/links/5841dfaa08ae2d2175614ab1/US-PAKISTAN-RELATIONS-IN-THE-CONTEXT-OF-21-ST-CENTURY.pdf

The 1950s, 60s and 80s saw a steep decline in Pakistan-US relationship. It fell apart during the Kennedy and Johnson presidencies with a slight period of breath during the Nixon presidency followed by a fractured patch during Jimmy Carter's presidency.¹⁵ The first set of sanctions, after 1965, put an end to the facade of Pak-US alliance as it came to an abrupt end. The sanctions did massive damage to the relations and it sprouted the element of mistrust. China emerged as a new strategic ally and provided much needed military assistance to Pakistan. The Chinese military hardware helped Pakistan to circumvent the US sanctions, which ultimately led to the beginning of the decline of dependence on the US military supplies.

Another set of sanctions imposed on Pakistan came soon after Pakistan carried out its nuclear tests. In 1979, the US President, Jimmy Carter, imposed unilateral military and economic sanctions against Pakistan on uranium enrichment concerns.¹⁶ However, this episode ended abruptly after the September 11 attacks on the World Trade Centre in the US. As a result, Washington put nations around the globe on notice that 'either you are with us, or against us.'¹⁷ Corroborating the threat, the former President General Pervez Musharraf in an interview to *CBS* stated that the then US Intelligence Director, Richard Armitage, threatened Pakistan that be prepared to be bombed, be prepared to go back to the stone age.¹⁸ This episode led to Pakistan joining the US-led War on Terror (WoT). As a consequence, the phenomenon of aid dependency again took the driving seat, navigating the trajectory of relations between the two countries. The US employed the same means of a core state to lure a periphery state through the means of aid and grants to meet its goals in the region and also influence Pakistan's policies in its war.

Since joining the US on its WoT, the direct and indirect cost incurred by Pakistan due to incidents of terrorism amounted to US\$123.13 billion (Rs.

¹⁵ Kux, "The United States and Pakistan."

¹⁶ Nazia Malik, "Economic Sanctions Imposed on Pakistan and their Impact (1979-2001)," *International Proceedings of Economic Development and Research* 39, no. 28, (2012): 140, <http://www.ipedr.com/vol39/028-ICITE2012-K00006.pdf>

¹⁷ John Chalmers, "Analysis: With Us or Against Us? A Decade on, Pakistan Wavering," *Reuters*, September 10, 2011, <https://www.reuters.com/article/us-sept11-pakistan-usa-idUSTRE7890HS20110910>

¹⁸ Scot Conroy, "Pakistanis React to the Stone Age Claim," *CBS News*, September 23, 2006, <https://www.cbsnews.com/news/pakistanis-react-to-stone-age-claim/>

10,373.93 billion).¹⁹ Even so, during the early years of WoT, the cumulative impact of the policies and actions led by the US adversely impacted the economy of Pakistan in all major sectors.²⁰ Pakistan, thus, provided a perfect context for the US to be ‘benevolent’ towards its economy. The US aid to Pakistan created a sense of dependency of Pakistan’s economy on the American subsidies and in return, the US got a ‘favourable’ ally proximate with the West Asian countries.²¹

This equation sets a prime example of the relationship between the dominant and the dependent country. It also helps to explain the persistent economic struggles of Pakistan, as well as the tedious and discouraging nature of relationship Pakistan and the US have experienced. Over the course of many years, the dependent nature of Pakistan-US relations has reinforced its shadows on by building the recipient’s — in this case Pakistan — the intensity of dependence on the dominant country — the US — through an unequal pattern of interactions and policies that both shared. Similarly, the transfer of resources such as foreign aid from the US to Pakistan made way for the US to monopolise its politics in the region especially inside Pakistan to fulfil and maintain its control.

Rethinking Pakistan-US Dependency Relationship

Washington’s involvement in the policy overtures of Pakistan became exceedingly visible with the flow of the US aid. This also gave rise to the American penetration inside Pakistan’s institutions in the form of increased trade dependency, aid programmes, educational exchanges, as well as military assistance programmes. By aligning itself with the US, Pakistan was able to reap some benefits through military and economic aid, however, it also paid a price by becoming dependent on the aid. Moreover, Pakistan lost its independent voice in matters pertaining to its national interests as well as injured its position internationally.

Keeping in mind the fundamentals of theory and relationship that exists between the core and periphery, the mere founding of Pakistan-US

¹⁹ Ministry of Finance, Government of Pakistan, *Pakistan Economic Survey, 2016-2017*, http://www.finance.gov.pk/survey/chapters_17/Annex_IV_War.pdf

²⁰ Ministry of Finance, Government of Pakistan, *Economic Survey of Pakistan, 2013-2014*, http://www.finance.gov.pk/survey/chapters_14/Annex_3.pdf

²¹ Bhattacharya, “US Pakistan Relations.”

relations serves as a highly relevant example and a classic case study of the dependency theory. With significant ups and downs in the relationship over the course of time, one can hypothesise that a richer country like the US through different means can interfere in the poor, periphery country affairs. This further suggests the temporary usefulness and a longer more substantial impact of the core country on the periphery state.

To no surprise, the US aid to Pakistan made its economy depended and conditioned to foreign money, this upper hand made America able to peruse its interests in the region through Pakistan as we see during the Afghan war and after 9/11. Through its aid programmes, the US was able to control and influence Pakistan's national policies by regulating its socio-political, economic as well as national interests of which the policy overtures of Pakistan during the Soviet-Afghan war and in the post-9/11 era remain two prime examples.

As the components of the theory suggest, the core states are also responsible for formulating and coining the world economic systems according to their desires leaving the periphery states at the receiving end. This form of monopoly gives the core an opening to shape the policies of the dependent states according to their interests which in other circumstances would be constituted by the periphery state itself like it has been done by the US to Pakistan and evident by the history. The position of Pakistan can, moreover, be explained by the structure of the world economic system, which is also run by the same rich, core countries due to the exploitative nature of the global economic system.

The US became an important strategic ally in exchange for heavy financial assistance, due to which Pakistan often compromised its own internal policies and national interests. Pakistan and its economy got drawn into a vicious cycle of funds and aid not just by the US but also by other international organisations like the World Bank and International Monetary Fund (IMF) run and dominated by the same cores. Pakistan, being a periphery of the world economic system in its early years, contributed to its own underdevelopment by being at the receiving end. It is a vicious cycle run by a select few to maintain geographical tiers of the core and the periphery. However, this trend is changing. Pakistan's economy in the past few years has shown signs of stability. In the past decade, the country's economy has grown and is at an upward trajectory in comparison to its

previous years. Its economy was among the top performers in South Asia with a GDP growth of 5.2 per cent in 2017²² and continued to grow to reach 5.8 per cent in 2018.²³ Foreign investments like the China-Pakistan Economic Corridor (CPEC) have also contributed to stabilising investment market and businesses in Pakistan. Similarly, the security situation has improved in the light of successful military operations by the Pakistani armed forces including Operation Enduring Freedom from 2001 to 2002, Operation Al Mizan from 2002 to 2006, Operations Zalzala, SherDil, Rah-e-Haq and Rah-e-Rast from 2007 to 2009, and Operation Rah-e-Nijat from 2009 to 2010.²⁴

All these factors have made it possible for Pakistan to take a step ahead and be less reliant on foreign aid and more dependent on its own growth. As a result, the country has enabled itself to emerge as one of the non-western semi-periphery states and made a place for itself at the middle tier. Nonetheless, this change has not come overnight but is a by-product of many struggles within and without.

This change from the periphery to semi-periphery also affected Pakistan's relation with its major and prime donor, the US. As a result of the changing nature of this relationship, from a dependent to semi-periphery state, Pakistan and the US have been on a crossroads of interest and mutually agreed goals. The litmus test of this change came with Donald Trump taking charge as the president of the US, and Pakistan's gradual distancing itself from the US and its demands to do more leaving both the countries on a diplomatic tight rope.

Like any semi-periphery state, Pakistan is exhibiting the signs of a regained sense of nationalism and a stark change in its pattern of international diplomatic engagement and alliance. As Wallerstein suggests that core's ability to intervene in a peripheral state decreases as it becomes a

²² "Pakistan Development Update 2017," World Bank, <http://documents.worldbank.org/curated/en/536431495225444544/pdf/115187-WP-PUBLIC-P161410-77p-Pakistan-Development-Update-Spring-2017.pdf>

²³ "Pakistan: Overview," World Bank, <https://www.worldbank.org/en/country/pakistan/overview>

²⁴ Seth G Jones and C Christine Fair, "Counterinsurgency in Pakistan," RAND, 2010, https://www.rand.org/content/dam/rand/pubs/monographs/2010/RAND_MG982.pdf

semi-periphery in ‘moments of downturn,’²⁵ as has been the case in Pakistan-US relations. Islamabad observed a drastic change in Washington’s behaviour. Since 2017, Pakistan witnessed a string of policy statements coming out of Washington through several policy papers such as the Afghan Strategy, the National Security Document, and the National Defence Strategy. All the policy papers had one thing in common: an aggressive posture of the US towards Pakistan. In its Afghan strategy, the US conveniently blamed Pakistan, making it a scapegoat for all its failures in Afghanistan²⁶ and maligned its role as a stable country globally. Similarly, President Trump, while unveiling his National Security Strategy, reminded Pakistan that it is obliged to help America because it receives “massive payments” from Washington every year.²⁷

With the beginning of 2018, President Trump once again lashed out at Pakistan through his tweet on the new year’s eve in which he spoke negatively of Pakistan and accused Pakistan of nothing but lies and deceit.”²⁸ Even before this, President Trump never held back in demeaning Pakistan and its fight against extremism. He categorically stated, “United States has foolishly given Pakistan more than 33 billion dollars in aid over the last 15 years and they have given us nothing but lies and deceit, thinking of our leaders as fools. They give haven to the terrorists we hunt in Afghanistan, with little help. No more!”²⁹ Pakistan in return said that it is ready to publicly provide every detail of the US aid that it has received and that it will “let the world know the truth.”³⁰

²⁵ Wallerstein, “Semi-Peripheral Countries.” 464.

²⁶ Syed Mohammad Ali, “New US Strategy for Afghanistan,” *Tribune*, August 18, 2017, <https://tribune.com.pk/story/1484128/new-us-strategy-afghanistan/>

²⁷ Anwar Iqbal, “Pakistan ‘Obliged’ to Help US, Says Trump,” *Dawn*, December 20, 2017, <https://www.dawn.com/news/1377685>

²⁸ Zeeshan Aleem, “Trump’s Sudden New Fight with Pakistan, Explained,” *Voice of America*, January 8, 2018, <https://www.vox.com/world/2018/1/8/16850116/trump-pakistan-suspend-aid>

²⁹ Donald Trump, *Twitter*, January 1, 2018, https://twitter.com/realDonaldTrump/status/947802588174577664?ref_src=twsrc%5Etfw&ref_url=https%3A%2F%2Fwww.forbes.com%2Fsites%2Fleezamangaldas%2F2018%2F01%2F02%2Ftrump-brings-in-the-new-year-with-polarizing-pakistan-tweet%2F

³⁰ Leeza Mangaldas, “Trump’s Twitter Attack on Pakistan is Met with Both Anger and Support in South Asia,” *Forbes*, January 2, 2018,

Following Trump's tweet, the US announced cutting off aid which practically was an insignificant move. The US aid levels to Pakistan peaked in 2010 when roughly US\$4.5 billion³¹ worth of aid was provided to Pakistan, which has been going down ever since to its minimum currently. There was significant scaling down of the US assistance to Pakistan in the later years of the Obama's administration, from US\$2.1 billion in 2014 to US\$1.6 billion in 2015 and US\$1.1 billion in 2016, which decreased even further down to US\$526 million in 2017.³² Up to US\$900 million in the Coalition Support Fund (CSF) for Pakistan for the fiscal year 2017 still remain pending³³ while the proposed cut for 2018 is \$350 million.³⁴ The cut-off of aid directly affects the CSF, which is the US reimbursements to Pakistan for its counter-terrorism operations and the services that Pakistan has already provided. A significant reduction came to the military aid with Pakistan receiving US\$100 million in 2018 fiscal year, previously in 2016 the US assistance to Pakistan under the State Department budget was US\$534 million, which included US\$225 million in foreign military funding.³⁵ The decrease in aid not only included military and security-related assistance but also Economic Support Funds, International Narcotics Control and Migration and Refugee Assistance. While the issue of aid and its disbursement still remains one of the most challenging aspects of the Pakistan-US relationship, the new leadership of Pakistan has made it clear

<https://www.forbes.com/sites/leezamangaldas/2018/01/02/trump-brings-in-the-new-year-with-polarizing-pakistan-tweet/#37639f632b35>

³¹ Mcheal O'Hanlon, Madiha Afzal and Bruce Riedel, "Pakistan, America, and Extremism: The Path Ahead," Brookings Institute (Washington, D.C), January 16, 2018, https://www.brookings.edu/wp-content/uploads/2018/01/fp_20180116_pakistan_transcript.pdf

³² Varghese K George, "US Drastically Cut Aid to Pakistan in the Obama Years," *Hindu*, January 2, 2018

<http://www.thehindu.com/todays-paper/tp-international/us-has-drastically-cut-aid-to-pakistan/article22348906.ece>

³³ Arshad Mohammed and Jonathan Landay, "US Suspends at least US\$900 million in Security Aid to Pakistan," *Reuters*, January 5, 2018, <https://www.reuters.com/article/us-usa-pakistan-aid/u-s-suspends-at-least-900-million-in-security-aid-to-pakistan-idUSKBN1ET2DX>

³⁴ Iqbal, "Pakistan 'obliged' to Help US."

³⁵ Shamil Shams, "Pakistani Military Feeling the Trump Pressure," *DW*, May 5, 2017, <http://www.dw.com/en/pakistani-military-feeling-the-trump-pressure/a-38980975>

to Washington that it seeks more than US funds, it seeks stronger and mutually beneficial ties.³⁶

As Pakistan's economy grows, its perception as an insecure state has metamorphosed into an existential crisis. Pakistan is exhibiting independence in behaviour like any developing country would. Its active transition is significant, as it challenges the American hegemony in the region. Pakistan is moving forward from a dependent state towards a developing country with decreasing influence of the US in its policy. This transition is also changing the power dynamics that revolve around Pakistan-US relations as it is increasingly moving closer to its economic arch-rival, China. This has given birth to new challenges, for Islamabad, primarily in the form of changed US attitudes and negative narrative reflecting Washington's displeasure at Pakistan's transition from a dependent periphery state to an independent developing country. Washington still feels compelled to enforce its own will on Pakistan. The negative rhetoric, do more mantra, and unnecessary bashing of Pakistan showcases America's attitude towards a nation that was once dependent on its aid.

Refurbishing Alliances

The geopolitics of South Asian region plays a critical role in determining the future alliances of many countries including two major powers — China and the US — Pakistan and India and a war-torn country — Afghanistan. As a growing economy, Pakistan needs to develop and refurbish its ties with the regional and other countries and build allies where it can. The world is changing from a unipolar stage to a multipolar theatre. Pakistan, being in the middle of it can utilise the world power politics for its own advantage.

The current nature of the China-US relations is intensifying the competition between both the strategic and economic rivals. Beijing's economic and strategic growth has enabled it to cut through the superpower monopoly created by the US for the past many years. Its mushroom growth and increasing technological advancements in the field of cyberspace and military has put the US policy circles on alert. The rise of China and its

³⁶ "Imran Khan: Pakistan PM Meets Trump in Bid to Mend Ties," *BBC*, July 23, 2019, <https://www.bbc.com/news/world-us-canada-49032495>

growing influence throughout the globe have set the stage for more intense competition between Washington and Beijing.

Regardless of the adverse rhetoric maintained by President Trump, China has shown its willingness to work with the US countless times. However, it will be interesting to see how the two economy giants come to agree on common grounds, as President Trump has already exited many international platforms including the Paris Climate agreement, the Iranian Nuclear Deal and the Trans-Pacific Partnership (TPP) leaving a void, which provided China with an opportunity to act as more of a reliable ally and partner.³⁷ According to an estimate, the CPEC will potentially reduce unemployment by US\$2.32 million by the end of 2018 with 30,000 direct already created and an estimated 800,000 jobs in the next 15 years.³⁸ The progress of the CPEC will be a significant factor for the US to design its policy in relation to China, which will have a ripple effect on Washington's relation with New Delhi. This threatens the existing power structure as the US hegemony is challenged by the rise of China and Pakistan in the region. The two arch-rivals Pakistan and India, are realigning strategically; Pakistan, a traditional ally of the US, is drifting towards China while India is strengthening its relationship with the US.³⁹

Afghanistan remains another challenge. Over the years, the US has maintained a force posture of up to 9,800⁴⁰ military personnel in Afghanistan, a considerable amount of which it is planning to withdraw. Nonetheless, the Trump administration vows to support Afghanistan security forces as the situation in Afghanistan remains a stalemate, while the

³⁷ Zeeshan Aleem, "Trump Pulling out of the Paris Climate Change Agreement is a Great News," *VOX*, June 3, 2017,

<https://www.vox.com/world/2017/6/3/15729424/trump-paris-climate-china>

³⁸ "Impact of China Pakistan Economic Corridor: Fact Sheet," China Pakistan Economic Corridor, <http://www.cpecinfo.com/news/impact-of-cpec-on-pakistan-economy-fact-sheet/NTIyOQ==>

³⁹ Ishrat Hussain, "CPEC and Pakistani Economy; An Appraisal," Centre of Excellence for CPEC, Pakistan Institute of Development Economics, 2017, http://cpec.gov.pk/brain/public/uploads/documents/CPEC-and-Pakistani-Economy_An-Appraisal.pdf

⁴⁰ Department of Defense, United States of America, *Enhancing Security and Stability in Afghanistan*, December 2016, <https://www.defense.gov/Portals/1/Documents/pubs/Afghanistan-1225-Report-December-2016.pdf>

threat of Islamic State of Iraq and Syria (ISIS), also termed as *Daesh*, in Afghanistan and in the region is real.

As cliché as it sounds, the US has failed to recognise Pakistan as a country which has a lot to offer besides its military support in fighting extremism in the region. The evolving security situation in the region provides Pakistan with an opportunity to play a proactive role and increase its cooperation with the US and Afghanistan to address the threats. The Afghan peace process provided Pakistan with an opening to showcase itself as a responsible regional player that is not at the periphery of geo-regional development anymore.

Indo-US relations are significant in the region. The relations over, the last decade, have remained and in an upward trajectory. Since President Clinton's era, the relations between both the strategic partners have broadly remained on a steady path with upward growth. The relationship covers every aspect of a strategic partnership which led to strong and superior defence agreements. In addition to defence partnership, the bilateral trade and energy also encapsulate the multi-dimensional approach to the relationship. The trade between both the countries stands at insubstantial US\$100 billion, while both aspire to expand the target of bilateral trade five-fold in the coming years to an estimated US\$1 trillion.

Challenges and the Way Forward for Pakistan

Pakistan is witnessing a slow but successful rise not only internally but at the global stage. Its economy is growing and developing and has upgraded from a frontier economy to an emerging market in the Morgan Stanley Capital International (MSCI) index.⁴¹ It has been successful in eradicating and minimising extremism on its soil and has managed to be a part of global projects such as the Belt and Road Initiative (BRI), by China. Pakistan is successfully taking on BRI's pilot project, the CPEC which is helping it with a new form of economic revival. The success of the CPEC projects despite all the internal challenges and external pressures, promises an

⁴¹ Christine Lagarde, "Pakistan and Emerging Markets in the World Economy," International Monetary Fund, October 24, 2016, <https://www.imf.org/en/News/Articles/2016/10/24/SP102416-Pakistan-Emerging-Markets-in-the-World-Economy>

economically diverse Pakistan against the existing economic status quo in the region.

Post-2018, the strains that were being felt between Pakistan and the US became more visible and exposed Washington as an unreliable ally. In the past, years Pakistan has had numerous opportunities and reasons to re-fresh its outlook towards the US. However, the recent attitude of the Trump administration while has left the policymakers in Islamabad disgruntled and insecure has helped Pakistan to broaden its world outlook and move away from the US's camp. Moreover, the rapid changes in Washington policy overtures under the 'America First,' campaign, by increasing the US's strategic and military reach out to India, has added to the urgency.

What is important for Pakistan is to seek a practical and tactical reorientation of its foreign policy without any focus on a single country. This is the primary challenge that Pakistan faces with the growing disoriented world order and increased multi-polarity challenging the US's pre-eminence. The challenges in the region provide Pakistan with an opportunity to make its place known. With the change in the internal dynamics of the country and a stronger foreign policy together with a stable and developing economic situation, Pakistan can easily solidify its transition to a semi-periphery nation. For this purpose, Pakistan needs to choose its allies in the region and around the world wisely, keeping in mind long-term objectives and goals. Washington has chosen to build a stronger bipartisan strategic partnership with India to counter the rise of Pakistan and China and its growing print in the region, through trade and investments. Pakistan has made it clear that it will work with the US-based on equality and not take dictations from the US if it goes against Pakistan's national interest.⁴² Pakistan is not seeking a selective policy with an exclusive sphere of influence of any single power.

Pakistan and the US share a lot of commonalities which can be transformed into areas of convergence of interests for both the countries. However, the indication is that the policy led by the Trump administration will remain without a drastic change. It will primarily be a policy-driven by the US interests. In order to meet this challenge, Pakistan should put its case

⁴² "US Using Haqqan i Network as Excuse to Target Pakistan: Asif," *GEO News*, October 10, 2017, <https://www.geo.tv/latest/161953-pakistan-wont-take-dictation-from-anyone-if-against-national-interest-khawaja-asifs>

forward proactively and robustly. What Pakistan needs is a policy of greater equilibrium and independence. The best future course of action for Pakistan is to pursue a relationship free of conditions and one that is built on mutual interests.

In the changing world affairs and the fast globalisation, economies, politics and strategic interests of the regions and the countries are interconnected and not dependent. The concept of a core and periphery is fading, making way for a semi-periphery economy. A lot of the conventional relationships that were formed in the post-colonial time period and the post-Cold War time, have moved from the state of dependency to development. Countries such as Pakistan are emerging as semi-periphery states, if not core poles in the world. Pakistan, being a periphery nation, has suffered more under the auspices of its relations with the US. This dependency gave the US the opportunity to meddle in the internal politics of Pakistan and institutions. However, Pakistan has progressed from being a dependent periphery state to a semi-periphery state with considerable economic development and industrialisation over the course of many years. This transition warrants a strong future strategy aimed at mitigating its own vulnerabilities while accruing utmost advantage from its partners.

