
In the Eye of the Storm: Pakistan's Balancing Act in the Evolving Geopolitical Order

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Key Judgments

- Pakistan occupies a unique position in the evolving global order. With deeply embedded economic and security linkages and high levels of financial indebtedness to both Washington and Beijing, the nation sits in the eye of the storm of great power contestation. Being forced to choose one power over the other could raise existential questions for the country's prosperity.
- The country formally espouses a vision of "cooperative geo-economics," which focuses on attaining economic security by forging positive interdependencies with multiple countries. This strategy imagines Pakistan as a hub of regional connectivity, moving away from economic bailouts from external patrons and toward trade- and investment-based economic partnerships. This approach also advocates for a foreign policy based on "no-camp politics."
- Pakistan has tremendous potential as a regional connector for trade, transit, and energy between South, Central, and West Asia. However, progress remains stalled due to a lack of regional integration. While Pakistan has made significant gains with China through the China-Pakistan Economic Corridor (CPEC), its other neighbors are either internationally isolated (Iran and Afghanistan) or have broken relations with Pakistan (India). To realize this connectivity vision, the region requires functional north-south (China-Pakistan) and east-west (India, Pakistan, Iran, Afghanistan, and Central Asia) axes to operate in tandem. Pakistan wants both the U.S. and China to support this vision and co-invest in strategic economic projects in Pakistan.
- Climate diplomacy is another arena where Pakistan seeks global influence as one of the countries most vulnerable to climate change. Requiring massive assistance to address the country's vulnerabilities, Pakistani leaders have become proactive climate advocates on behalf of the Global South. The country is committed to middle power and other climate coalitions, despite recent U.S. opposition to global climate investments.
- Pakistan remains a key security actor in the Global South. Its past support for the United States in regional conflicts has been the principal factor in its global prominence, and leaders are now maneuvering to further enhance that relevance amid a fluid international order. Pakistan has joined President Trump's Board of Peace initiative while simultaneously constructing non-Western middle power security alliances and acting as a mediator in the Middle East. Pakistan also remains central to U.S., Chinese, and regional counterterrorism efforts and expects continued international support for domestic antiterrorism activities.
- Among prominent middle powers, Pakistan is less relevant in emerging frontiers like high-end technology. While it is positioning itself as a potential exporter of rare earth and critical minerals in partnership with the United States, its more urgent concern is avoiding either side of the emerging global "tech curtain." It wants to keep avenues open to benefit from advanced technology from both Washington and Beijing.
- Pakistan's primary challenge is to secure multialignment despite being internally fragile and heavily dependent on the United States, China, and traditional Gulf partners for economic survival. Ultimately, the key to unlocking Pakistan's true potential as a middle power is its relationship with its archrival, India. Although prospects currently seem extremely grim, a breakthrough would not only benefit the entire South Asian region but also align with broader U.S. and Chinese strategic interests, potentially creating opportunities for collaboration between the two great powers.

Introduction

Few countries can truly claim to have been a strategic partner to both the United States and China over the years, and none but Pakistan can take credit for playing an instrumental role in mediating a breakthrough in U.S.-China relations during the Cold War. In enjoying deep strategic ties with Washington and Beijing, Pakistan has also come to depend immensely on both as it pursues its national interests. Since this multialignment has benefited Pakistan throughout much of its history, intensifying great power contestation is causing immense concern in Islamabad. At the same time, shifting global power dynamics may create fresh opportunities for middle powers to shape regional developments, lead the discourse on global issues like climate and the energy transition, and influence norm-making processes. Pakistan's history of deftly balancing on the global chessboard may position it to assume a more substantive role in regional and global politics.

The key question for Pakistani decision-makers is how they can use their country's international leverage to avoid a binary choice between the United States and China. Which issues can Pakistan influence — and with what tools — to protect its equities? What implications will the choices of this important nuclear power, situated in a critical geography, have on regional and global politics?

These are some of the questions this paper will seek to address as it situates Pakistan within the broader debate on middle power agency and strategic autonomy in an era of intensifying geopolitical competition. It begins by establishing Pakistan's credentials and vision as a middle power, tracing its international partnerships and historical role in global politics. It then examines Pakistan's current relevance across four major policy domains: regional transport and energy connectivity, climate diplomacy, security partnerships and counterterrorism, and emerging technologies. The final sections analyze Pakistan's challenges and opportunities as a middle power in the evolving global order, concluding with specific recommendations for Pakistan, the United States, and China.

Pakistan's Role and Importance as a Middle Power

Middle powers occupy an intermediary space between great powers and weaker states. These countries are presumed to carry significant economic strength, military power, or geographic size, granting them an outsized ability to shape and influence specific areas or functions in international affairs.¹ The realist perspective on middle powers emphasizes their agency to impact policies beyond their borders, particularly those affecting their national security and regional dynamics.² These states can achieve this on their own or — more likely — through multilateralism and coalition building.³ Despite significant differences among them, middle powers are ultimately expected to wield enough leverage in regional and global affairs to engage with major powers strategically, not merely to extract economic and military benefits, but also to help shape the global order on issues such as economic policy, climate change, and conflict resolution.⁴

Pakistan's middle power credentials are not in doubt. It is the world's fifth-most populous country,⁵ with more than 60% of its population under age 30,⁶ and is one of nine possessors of nuclear weapons. Its international clout is reinforced by its geostrategic location at the crossroads of South, Central and West Asia. Sitting at the mouth of the Arabian Sea in the Indian Ocean and less than 200 miles from the Strait of Hormuz, Pakistan serves as a critical hub for potential regional energy corridors. It also offers Western China critical maritime access to the rest of the world, an important consideration for Beijing given intensifying competition in the Indo-Pacific.

Diplomatically, Pakistan has long positioned itself as a country capable of influencing regional and global dynamics. As the strongest military in the Muslim world and the bloc's only nuclear power, the country is seen as a pivotal actor by fellow Organization of Islamic Countries (OIC) members. A traditional ally of several Arab regimes in the Gulf, Pakistan has deployed its security forces to provide them with protection over the years. On the global stage, the country has often punched above its weight. By serving as a front-line U.S. ally in key conflict theaters during the Cold War and post-9/11 periods, and most recently by mediating in the war in Iran, Pakistan has impacted the trajectory of global politics on multiple occasions while remaining a leading voice for the Global South in the United Nations.

In recent decades, Pakistan's Achilles heel has been its domestic political instability and weak economic performance. Considered one of the most promising economies of Asia in the 1960s, Pakistan's inability to translate its international prominence and resulting financial assistance into sustained economic growth has held it back. Today, the country's total debt and liabilities have reached \$138 billion; its debt-to-GDP ratio stood at 48.5% of GDP (PPP) in 2025.⁷ Exports lack diversification and competitiveness, as reflected in the 8.4% export-to-GDP ratio, significantly lower than other regional countries such as India (19%) and Bangladesh (15%).⁸ In January 2026, Pakistan's total liquid foreign exchange reserves stood at just above \$16.1 billion,⁹ enough to cover less than three months of imports. This level was only achieved through an International Monetary Fund (IMF) bailout package that offered temporary macroeconomic stability.

Still, Pakistan holds significant agency to affect its neighborhood and the regions beyond. It is the second-most populous country in South Asia (which is home to one-fifth of the global population), a critical ally to multiple Muslim countries, and one of China's closest partners. It also enjoys multifaceted, albeit oscillatory, ties with the United States. Despite its potential, Pakistan's relevance worries much of the world. It is often viewed as an unstable and fragile nuclear power, where political and economic vulnerabilities combine with threats from homegrown and externally supported terrorism.

In 2022, Pakistan enunciated its future strategic direction through its first-ever National Security Policy (NSP).¹⁰ Essentially a proactive response to Islamabad's interpretation of the evolving geopolitical order and its likely opportunities and challenges for Pakistan, the NSP anchors itself in "cooperative geo-economics." Pursuing this direction would further entrench Pakistan as a middle power that not only works with great powers but also forges partnerships with other middle powers to shape its own trajectory and that of its neighbors.

The NSP moves away from a narrow definition of national security, which previously led Pakistani decision-makers to divert disproportionate resources toward its military to protect itself against its neighbor and archrival, India. Instead, the policy espouses the concept of "Comprehensive National Security," which prioritizes economic security. Geo-economics is presented as a consociational framework rather than a competitive tool of statecraft, which is the concept's more typical use. Pakistan's geo-economic vision imagines the country as a hub of regional connectivity between South, Central, and West Asia. It advocates a focus on trade, investment, and human resource-based economic partnerships rather than a reliance on economic assistance and bailouts from the United States, China, and other partner countries, supported by a foreign policy that advocates "no-camp politics." In essence, Pakistan seeks to foster economic interdependence with multiple countries, especially its neighbors and the great powers, to tie their own interests to Pakistan's stability and economic growth.¹¹ Some in Pakistan even nostalgically suggest their country could once again help reduce great power tensions in its neighborhood, echoing its role in facilitating U.S.-China rapprochement during the Cold War.¹²

Pakistani policymakers realize that such a vision contrasts with the growing use of Hobbesian geo-economics to protect national interests. They also understand that achieving their vision remains unrealistic unless

Pakistan can reclaim its economic strength and reduce the external indebtedness that makes it exceedingly vulnerable to great power pressures and compromises its foreign policy decision-making. Yet virtually every step toward this vision will require Pakistan to reshape relationships both regionally and with its fellow middle powers while deftly balancing between great power camps. If it succeeds, Pakistan's bilateral and multilateral engagements will be predominantly characterized by economic interactions: expanded trade, transnational road and rail connectivity through Pakistan, mutual economic dependencies, and greater cooperation on shared threats, such as climate change. If it fails, the country's domestic political and economic weaknesses — combined with its proximity to China — may turn it into a proxy battleground for great power contestation, with detrimental consequences.

Pakistan already experienced being a proxy during four decades of continuous war in Afghanistan. It also absorbed the fallout of sectarian tensions between the Gulf states and Iran, which played out in its own multi-sectarian society following the 1979 Iranian revolution. In these instances, Pakistani leaders allowed outsiders to use their territory as a staging ground for conflict in return for political legitimacy and monetary assistance. This approach ultimately triggered a tremendous blowback, creating new militant groups and accentuating the preexisting sectarian fissures in Pakistani society.

By championing cooperative geo-economics, the NSP signals an intent to avoid repeating past mistakes. It also implies recognition that staying the failed course of the past under present geopolitical circumstances would be even more dire, potentially turning Pakistan's geography — long considered its prized asset — into its binding constraint. Among today's principal theaters of great power contestation, Pakistan is sandwiched between the Indo-Pacific, which stretches from Japan to India; the Middle East, where Iran is locked in strategic competition and direct or proxy warfare with Israel and the Gulf; and the Russian backyard of Central Asia, stretching down to Afghanistan. Pakistan is the only country that sits at the intersection of these three theaters. This geographic position ensures that the country cannot escape the implications of great power rivalry in South Asia. It can either find ways to benefit from the fluidity and realignments induced by the departure from unipolarity or risk being swept away by them.

Pakistan's Role in Global and Regional Politics

Pakistan's approach to global and regional politics has long been an extension of its hard security concerns regarding India. Since the 1947 partition of India, Islamabad has viewed New Delhi as an existential threat. This mindset is driven by the territorial dispute over Kashmir, the 1971 war that split Pakistan in two, and an enduring military asymmetry.¹³ As a result, the country's foreign policy has been dictated by a fixation on preventing India from being the sole hegemon in South Asia. To counter its neighbor's influence, Pakistan developed a tri-polar foreign policy, with the United States, China, and the Islamic world as its three pillars. It joined U.S.-led defense alliances to serve Washington's anti-communist objectives during the Cold War era. By the 1980s, it became a front-line state against Soviet expansion, collaborating with the United States and Gulf states to force the Soviet Union out of Afghanistan. Though successful, this decade-long campaign had serious long-term implications for Pakistan, including the rise of domestic extremism, resulting in widespread arms proliferation, drug trafficking, and an overwhelming influx of Afghan refugees.

Pakistan's strong defense ties with the United States did not prevent it from establishing an equally robust relationship with China. This was especially true following the 1962 Sino-Indian War, which created a shared strategic interest between Islamabad and Beijing in countering India.¹⁴ Pakistan's diplomatic significance rose further in the early 1970s, when it played a pivotal role in facilitating the opening between the United

States and China, enabling the two ideological adversaries — capitalist America and communist China — to achieve a historic shift in global geopolitics.¹⁵

Pakistan's ties with the Gulf countries have always been strong, centered on a religious bond and the pro-Western alignment of most Gulf states during the Cold War. In the 1970s, Pakistan made a particular effort to solidify the Islamic bloc, hosting a major Islamic summit in 1974, which was attended by 37 Muslim-majority countries.¹⁶ The Pakistan military has played a key role in fostering these relationships, providing training, protecting several regimes, and joining military campaigns for some of its Gulf partners. Pakistani contingents have served in Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain, and Oman. Pakistan has also maintained deep bilateral ties with Turkey through military and economic collaboration. Pakistan, Turkey, and Iran established the Regional Cooperation for Development (RCD) in 1964, which later evolved into the Economic Cooperation Organization (ECO).¹⁷ In 1998, Pakistan's emergence as a nuclear-armed state — a response to India's nuclear tests — further amplified its strategic role and reinforced its position in South Asia and the Muslim world. The strength of its relations across key Muslim capitals has been evident in its mediation efforts in the 2026 war in Iran, which has once again put Pakistan at the center of global diplomacy.

Beyond these three pillars, Pakistan's international outreach has lacked diversification. While Pakistan maintains solid trade and investment relations with the United Kingdom (U.K.) and European countries, these have not evolved into strategic partnerships. The country has benefited from European market access and a strong diaspora, especially in the U.K., but Europe's engagement with Islamabad tends to mirror Washington's outlook.

Intrinsically tied to Pakistan's relations with the United States, China, and the Gulf was its own survival and growth model. Through these security-centric partnerships, Pakistani leaders secured handsome military and economic assistance, allowing them to counter India's military advantage while addressing domestic development and socioeconomic needs. In fact, Pakistan's entire development model was built on the assumption that its geostrategic importance was permanent and that windfall monetary assistance would continue accruing indefinitely.¹⁸

Between 1951 and 2011, Pakistan received nearly \$67 billion in U.S. military and economic aid, making it the third-largest recipient of U.S. assistance over time.¹⁹ However, during the 1990s, in the aftermath of the Soviet Union's defeat in Afghanistan, the country was also shunned by the United States — ostensibly due to its nuclear program — abruptly transitioning from “the most allied of allies” to one of the most sanctioned countries.²⁰ As a result, Pakistanis have come to see the United States as an important but unpredictable and transactional strategic partner — a “fair-weather” friend. China, on the other hand, is seen as an “all-weather” friend, with a more natural strategic alignment. While this state-to-state relationship has traditionally been heavily security-oriented, it continues to strengthen, with China also expanding its economic support and people-to-people engagement in recent years. Pakistan has received significant assistance from China in the form of loans, investments, and grants, with the majority of inflows over the past decade linked to the China-Pakistan Economic Corridor (CPEC), a key artery of the Belt and Road Initiative (BRI).²¹

However, Pakistan's assistance-based approach suffers from a fundamental flaw: rather than using high foreign exchange inflows during periods of geopolitical importance to propel the country economically, these flows allowed decision-makers to avoid enacting the difficult domestic reforms needed for economic sustainability. Instead, Pakistan banked on continued external patronage, trapping itself in boom-and-bust macroeconomic cycles. The economy rose when windfall foreign exchange inflows arrived courtesy of its strategic importance, only to plummet in periods when geopolitical changes rendered that positioning irrelevant. The result is a country that remains highly dependent on its key international partners to sustain its economy. The nation's leaders regularly lean on creditors to roll over its debt or seek exceptions to avoid bankruptcy.

Furthermore, Pakistan is a veteran of 25 IMF programs and is currently implementing an Extended Fund Facility (EFF) worth \$7 billion under tight conditionalities.²²

Against this backdrop, China is Pakistan's largest trading partner, accounting for over 20% of its imports in recent years.²³ Moreover, CPEC is the country's single largest investment venture, promising \$62 billion in investments across energy, infrastructure, agriculture, and special economic zones. China alone accounts for 30% of Pakistan's foreign direct investment (FDI). The United States, on the other hand, remains Pakistan's largest export market, accounting for more than 18% of total exports. Combined, the United States and China absorb 27% of Pakistani exports.²⁴ The United States is also a critical source of remittances for Pakistan and holds disproportionate influence over international financial institutions like the IMF. In addition to the two great powers, Pakistan relies on the Gulf states for economic support, including deferred oil payments, loan rollovers, and investment in domestic infrastructure. Nearly half of Pakistan's remittances come from the Gulf, with 77% of its overseas workers employed in Saudi Arabia and the UAE alone. Pakistan received nearly \$20 billion in remittances between July and December 2025 alone.²⁵

Pakistan's dilemma within the evolving global order is clear. The country's economy is too intertwined with and heavily dependent on both great power camps. At the same time, its strong middle power links are overwhelmingly concentrated in a handful of countries in the Middle East as well as Turkey and, more recently, Azerbaijan. With South Asia becoming increasingly entangled in great power contestation,²⁶ the nature of Pakistan's external relationships — combined with its internal vulnerabilities — makes a business-as-usual approach to the region's evolving geopolitical dynamics untenable.

The United States views China's increasing regional influence and military modernization as a direct threat to its interests in the Indian Ocean and Indo-Pacific.²⁷ Previous U.S. administrations increasingly aligned with India, envisioning it as a "net security provider" in the region,²⁸ with the capacity to support broader U.S. objectives to counter China. While U.S.-India relations have encountered substantial setbacks under the second Trump administration, including the temporary imposition of prohibitively high tariffs on Indian products,²⁹ the strategic alignment between India and the United States is too deep for the negative trajectory to hold. Most observers believe President Trump will relent after driving a hard bargain on trade and New Delhi's close ties with Russia. Already, there are signs of this shifting dynamic, with the two countries announcing an interim trade agreement in February 2026.³⁰ For China, the United States' growing defense partnership with India has raised serious security concerns. Beijing views Washington's policy posture as destabilizing and Western opposition to its transnational infrastructure and energy projects under the BRI as attempts to undermine its regional interests. For its part, Pakistan sees U.S. support for India as a factor that has emboldened New Delhi to adopt an uncompromising stance toward Islamabad and shun options to improve relations.

Following the 2021 U.S. withdrawal from Afghanistan, which ended Washington's military dependence on Islamabad, Pakistan's strategic importance to the United States diminished significantly. Many in Pakistan felt their country had no choice but to align more closely with China — a view shared by Washington's own Pakistan watchers and amplified by champions of the U.S.-India relationship to further distance U.S. decision-makers from Pakistan. By 2021, Pakistan-U.S. relations had deteriorated to the point that President Joe Biden declined to speak to Prime Minister Imran Khan throughout his time in office.³¹ However, Pakistan's decades-long affinity with the United States, its reliance on the IMF, and its dependence on the U.S. market for exports made a clean break impossible.

Pakistani leaders remained alert for any opportunity to affect a positive turnaround in relations. They found it with the return of President Trump in 2025. Since his inauguration, Pakistani military and civilian leadership have deftly and successfully maneuvered to build rapport with the U.S. President. This effort was

underscored by Pakistan becoming the first country to nominate President Trump for the Nobel Peace Prize in recognition of his role in brokering the May 2025 India-Pakistan ceasefire.³² Additionally, Pakistan has repositioned itself as a critical ally by deepening counterterrorism collaboration,³³ opening new pathways for cooperation on critical minerals and cryptocurrency, and most recently by offering its good offices to help the United States get out of the Iran quagmire.³⁴ Remarkably, Pakistan has managed to do so without impacting its equation with China. Its leadership continues to engage Beijing on key economic and security issues and has received repeated public reassurances from China in recent months.³⁵ In fact, the depth of the Sino-Pakistan relationship became even more apparent as Pakistan's armed forces demonstrated seamless combat integration with Chinese defense technology during the 2025 conflict with India.

Thus far successful, Pakistan's balancing act will require constant management and calibration going forward to avoid getting caught in the crosshairs of the U.S.-China rivalry. Pakistanis fear the present window of opportunity with the United States may close abruptly once Washington's South Asia policy rebounds in India's favor. President Trump's unpredictability and mercurial temperament make this all the more likely.

Deep down, Pakistani decision-makers realize that their best chance of successfully pursuing multialignment — through substantive engagements with all major powers — lies in addressing the country's chronic economic issues, political instability, and growing social and security challenges. The framers of Pakistan's NSP understood this reality when they conceived the ambitious Comprehensive National Security paradigm. However, implementing this model in a regional and global context fraught with Hobbesian geo-economics will be no mean feat.

Major Policy Domains in Pakistan's International Posture

To successfully pursue its model of cooperative geo-economics, Pakistan must identify the key policy domains where it can plausibly exert influence and derive the greatest benefit. This section examines Pakistan's relevance in four arenas: regional connectivity, climate change, security and counterterrorism alliances, and emerging technology competition.

Pakistan as the Regional Connector

South Asia remains one of the least integrated regions in the world, which carries significant opportunity costs. Trade among South Asian countries totals just \$23 billion — well below the region's estimated potential of \$67 billion. Intraregional trade accounts for only 5% of total trade, a marked contrast to ASEAN's 25%.³⁶ This lack of integration persists despite the fact that the region has over 400 million people living in multidimensional poverty.³⁷ This stagnation is due to trade barriers, limited infrastructure, and, most importantly, perennial animosity between the two largest countries, India and Pakistan. Currently, Pakistan's only significant trade relationship among its neighbors is with China, which is beyond the South Asian bloc. However, here too, total trade worth \$14 billion represents only a fraction of the potential. Moreover, while Pakistan maintains a trade surplus with the United States, it has an \$11.4 billion trade deficit with China.³⁸

Still, South Asia and its neighborhood's connectivity potential — and Pakistan's centrality to it — goes beyond trade. Pakistan's true advantage lies in its role as a connector between South, Central, and West Asia for transport and energy flows. While trade within the region will remain largely meaningless without the full participation of both India and Pakistan, transit corridors and energy pipelines offer a different path. They can foster significant mutual interdependence among multiple countries, ensuring genuine benefits for all involved.

The Role of CPEC as an Economic Catalyst

The most prominent node of connectivity for Pakistan is the north-south axis developed around CPEC, which has garnered substantial attention since its inception in 2015. Pakistan has projected it as transformative, aiming to elevate the country's stature as a regional connectivity hub and establish a pathway toward geo-economic ascendancy. CPEC is also critical for China, as it links Kashgar in western China to Pakistan's strategically located Gwadar port, providing vital access to the Indian Ocean littoral. Under CPEC, Pakistan has already attracted direct investment from China worth \$30 billion across diverse domains including transportation, energy, and industrial sectors.³⁹

The optimal connectivity axis for the region would link this north-south corridor with an east-west corridor connecting Central and South Asia through Afghanistan and Pakistan. This would bridge an energy-rich but sparsely populated and land-locked Central Asia with an energy-starved, densely populated South Asia. To this end, Pakistan has entered into multiple trade and transit agreements with the Central Asian Republics (CARs) to facilitate access to its warm waters through the Gwadar port.⁴⁰ This represents one of the shortest viable routes for southern Central Asian states — especially Uzbekistan and Tajikistan — to reach global markets. While road infrastructure already exists between Central Asia and Pakistan, Uzbekistan, Afghanistan, and Pakistan remain committed to developing a trans-Afghan railway, which is currently undergoing feasibility studies.⁴¹ Uzbekistan has championed the project to diversify its transit routes. While India and Pakistan's differences still prevent a truly synergetic amalgamation between CPEC and the east-west corridor — a union that could transform the South Asian region — this connectivity network remains viable even without India's participation. For Pakistan, it could bring significant revenue and provide an alternative set of middle power partnerships.

Besides its economic potential, road and rail connectivity holds great strategic importance. It would strengthen Pakistan's position in regional power dynamics and potentially grant it increased economic leverage vis-à-vis China and Central Asia by fostering the positive interdependence the NSP envisions.

Regional Energy Connectivity

The regional energy corridor is equally promising in its potential to align the interests of neighboring states and great powers with Pakistan's stability. Given rising energy demands, acute dependence on energy imports, and market volatility in South Asia, establishing energy corridors would yield significant collective benefits, potentially forcing reconsideration of political differences between countries. Pakistan is strategically positioned to facilitate this connectivity.

Important transnational projects like the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline, the Central Asia-South Asia (CASA-1000) electricity transmission project, and — potentially — the Iran-Pakistan gas pipeline could be key drivers of this vision. While these projects are complex and carry significant geopolitical overtones, the involved parties have formally signed on to join them.

The TAPI pipeline, stretching over 1,600 kilometers (1,000 miles), is projected to transport 33 billion cubic meters of natural gas annually from Turkmenistan to Afghanistan, Pakistan, and India. Afghanistan would receive 5% of this supply, while Pakistan and India would receive 47.5% each.⁴² Turkmenistan's state-owned company, Turkmengaz, has committed \$8.5 billion toward the total \$10 billion cost of the project — an 85% stake.⁴³ In September 2024, Afghanistan and Turkmenistan inaugurated the construction of the pipeline's 150-kilometer (93-mile) segment between those countries.⁴⁴ However, the project has faced considerable obstacles, including delays, investor hesitation, and shifting security dynamics within Afghanistan. The Asian

Development Bank suspended its involvement following the fall of Kabul in 2021, citing a lack of recognition of Afghanistan's Taliban administration and raising concerns about the pipeline's future funding.⁴⁵

CASA-1000 aims to transmit 1,300 megawatts of surplus hydroelectric power from Tajikistan and the Kyrgyzstan to Afghanistan and Pakistan.⁴⁶ Although the project was paused in 2021 after the Taliban took power in Afghanistan, the World Bank resumed its support in 2024. CASA-1000 is at a more advanced stage of development than TAPI. According to the World Bank, construction activities are nearly complete in the Kyrgyzstan, Tajikistan, and Pakistan, with work ongoing on the Afghanistan portion.⁴⁷ Besides improving regional connectivity and meeting consumer energy needs, the project would contribute to the region's clean energy goals by utilizing hydroelectric power.

Although the Iran-Pakistan gas pipeline has faced stagnation, disputes, and legal challenges, it still holds significant potential to provide western Pakistan — so critical for CPEC — with cheap energy and establish another transnational energy corridor in the region. Initially conceived as a tripartite peace pipeline between Iran, Pakistan, and India, the project was scaled down to a bilateral agreement in 2008 after India withdrew due to U.S. sanctions.⁴⁸ In 2009, Iran and Pakistan signed a 25-year contract to export gas from Iran via an approximately 1,500-mile pipeline, which was to be jointly constructed by both countries.⁴⁹ While Iran successfully completed its part of the pipeline, Pakistan has failed to develop its section due to financial constraints and U.S. sanctions on Iran. Iran has threatened to impose penalties on Pakistan and initiate international arbitration proceedings against it for failing to uphold its end of the bargain.⁵⁰

From a development perspective, these energy projects could create a win-win scenario for Pakistan and its neighbors by bolstering energy security, fostering economic interdependence, and providing mutual economic benefits. Pakistan currently imports 49% of its primary energy, a situation that is expected to worsen as the country's population continues to grow.⁵¹ Already, massive seasonal variation leaves Pakistan in need of energy during specific months, which align neatly with surpluses in Central Asia.⁵² This natural opportunity for regional integration could save Pakistan precious foreign exchange. In fiscal year 2025 (July 2024-June 2025), the country spent nearly \$16 billion on energy imports.⁵³

Energy security will also bring additional benefits, both domestically and regionally. A UNICEF report estimates that strengthening energy resilience in Pakistan could prevent up to 175,000 deaths by 2030.⁵⁴ Additionally, Pakistan stands to benefit economically by becoming a crucial transit state. For Afghanistan, TAPI could bring much-needed revenue through transit fees and stimulate economic activity, while for India, it offers a more stable and affordable energy supply. India is one of the fastest-growing economies globally, and its energy demands are expected to increase by 35% over the next decade.⁵⁵ For the Central Asian Republics (CARs), this transnational energy corridor provides an opportunity to diversify their export energy market.

Yet the future of these initiatives hinges more on geostrategic considerations than on their economic merits. CPEC is a geostrategic live wire because it offers China access to the Indian Ocean and bolsters its energy security by reducing its reliance on the Malacca Strait.⁵⁶ Although the United States initially expressed cautious support for CPEC,⁵⁷ it has grown increasingly wary of the potential long-term implications of China's investments in Pakistan. It has raised concerns about a lack of transparency in CPEC contracts and the potential use of Western monetary assistance to Pakistan for debt repayment to China. However, the primary U.S. concern is that China could leverage these investments to advance its geopolitical interests and potentially expand its military presence in the region, specifically using Pakistan's Gwadar port as a Chinese naval base. While categorically denied by both China and Pakistan, these concerns are likely to rise as U.S.-China competition intensifies. India also opposes the project and has consistently raised sovereignty issues regarding CPEC's route through territory contested by India and Pakistan.

Pakistan, however, is banking heavily on CPEC's success to spur its economic revival. Abandoning the project without a viable alternative — and none has been proposed by the West — would not only be economically detrimental but would also imply a major breakdown in Pakistan-China relations. At the same time, Pakistan's reliance on the West for the majority of its exports and multilateral financial assistance compels it to respect Washington's interests. To navigate this geopolitical landscape effectively and avoid incentivizing the United States to further embolden India, Pakistani decision-makers are understandably striving to retain strong economic ties with both global powers. This explains their dual approach: a continued emphasis on CPEC as an economic lifeline while seeking avenues to engage the United States, including in regional connectivity projects, as part of the effort to revive the partnership with the Trump administration. Recently, Pakistan proposed developing a \$1.2 billion deep-sea port 60 miles from Gwadar for exclusive use by the United States to export critical minerals.⁵⁸ Although exploratory, the proposal indicates the Pakistani leadership's intent to accommodate both great powers in the country's geo-economic framework.

Similarly, Washington and Beijing's positions on the Iran-Pakistan gas pipeline will continue to diverge, barring a dramatic improvement in U.S.-Iran relations. China, with its own 25-year, \$400 billion megadeal with Iran — part of an economic and strategic partnership⁵⁹ — may support the pipeline to reinforce its energy corridor strategy. However, Pakistan recognizes that this may cross a red line for Washington. As a result, the project will likely stall unless U.S.-Iran relations improve. While the Middle East and Iran are beset by exceptional uncertainty and conflict, Western and Israeli pressure could loosen should the United States agree to ease sanctions against the current or a successor Iranian regime. This could allow some connectivity projects to be reconsidered, an outcome that would benefit Pakistan. However, until the situation changes, Pakistan can only fend off Iranian penalties for its unwillingness to complete the project.

On other major initiatives linked to CARs, the United States and China may converge, though their logic may differ. Despite concerns about Afghanistan, the United States does not oppose connectivity projects flowing through the country. Beyond the universal objective of preventing total collapse in Afghanistan, the United States would stand to benefit from an easing of Russia's chokehold over Central Asia's global access. Furthermore, CARs' use of Pakistan as a transit route would ensure multicountry commercial stakes in the Gwadar port, a welcome development for Washington, which remains concerned about a Chinese monopoly there. Previously, the United States has supported the TAPI pipeline and shown no opposition to CASA-1000, as both projects would bolster east-west connectivity without involving China directly. Additionally, they would help reduce regional dependency on Iranian energy and, at least theoretically, could moderate Taliban behavior, given their economic benefits.

China is positively disposed toward transport and energy connectivity in general. Having already made significant investments in Central Asia, it is now the largest investor in Afghanistan.⁶⁰ Providing CARs with access to the Indian Ocean will require using the road infrastructure developed under CPEC, thereby interlocking Central Asia's interests with the corridor's vitality. This would also practically operationalize China's recent decision to formally extend CPEC to Afghanistan and potentially create Western stakes in the stability of Pakistan's restive Balochistan province, through which the CPEC passes. Moreover, China has little reason to oppose projects like TAPI and CASA-1000; they align with its infrastructure investments and interest in extracting greater economic benefits from the region. Beijing has always been extremely pragmatic in its regional economic relations, even when it comes to India. It is therefore unlikely to oppose India's inclusion in these energy initiatives if it generates greater economic opportunities and expands Beijing's export and investment market. Still, both China and India will retain their hardnosed stance on bilateral disputes and their strategic competition.

For Pakistan, success lies in ensuring that the United States, China, and India all see the benefits of allowing north-south and east-west connectivity corridors to operate in tandem. Pakistan must channel great power

competition constructively to attract investment from China while promoting regional stability in line with U.S. interests. Including India could be a game changer, helping to mitigate some of the differences between India and Pakistan and unlocking other avenues for cooperation across South, Central, and West Asia. Unfortunately, India continues to block all cooperation with Pakistan. Any breakthrough in energy connectivity will, at the very least, require collective pressure on India from CARs and Afghanistan. Simultaneously, both the U.S. and China must be convinced that opposing South Asia's connectivity web risks handing a strategic advantage to their rival. Indeed, supporting Pakistan's geo-economic paradigm would yield shared benefits and maintain a stable equilibrium for the great powers. Ideally, this approach would reduce the intensity of great power contestation in the neighborhood by aligning U.S. and Chinese geostrategic interests with regional connectivity and positive interdependence.

Unfortunately, amid a total breakdown of Pakistan-Afghanistan relations, progress has become increasingly unlikely. Over the past two years, heightened tensions between the two countries over anti-Pakistan terrorism originating from Afghan soil have disrupted bilateral economic engagement and connectivity to Central Asia. Consequently, CARs have increasingly used Iran and are investing further in the Eurasian route for transit in the absence of sustained progress on the South Asian route. The situation has deteriorated to the point that Pakistan is working to bypass Afghanistan in connecting to Central Asia (through China and Iran), but CARs are unlikely to support these cumbersome and less economical routes.

Pakistan's Climate Change Diplomacy

The global climate agenda is in disarray. Under President Trump, the United States has signaled abandonment of its climate commitments, marked most obviously by its unilateral withdrawal from the Paris Agreement.⁶¹ Washington's opposition to global climate investments has cast a serious shadow over the future of the green transition.

Despite emitting less than 1% of global greenhouse gasses, Pakistan is one of the world's top 10 most vulnerable countries to climate change.⁶² Over the past 50 years, the annual mean temperature has increased by approximately 0.5°C (0.9°F), while the frequency of heatwave days has risen nearly fivefold since the mid-1990s. Although annual precipitation has historically shown considerable variation, it has seen a slight increase in the past five decades. Additionally, the sea level along the Karachi coast has risen by about 10 centimeters (4 inches) over the last century. According to one dire prediction, Pakistan's annual mean temperature is projected to increase by 3-5°C (5.5-9°F) by the end of this century.⁶³

Exacerbating this crisis, Pakistan's 7,000-plus glaciers — the largest collection outside the polar regions — are melting rapidly, contributing to rising river levels, an increased risk of floods downstream, and more frequent glacial lake outbursts.⁶⁴ These glaciers provide crucial water resources for domestic use and the agricultural sector, which employs about 37.4% of Pakistan's labor force.⁶⁵ As the glaciers melt, it threatens people's livelihoods and food security. Already, the incidences of extreme weather events, such as the 2022 floods that submerged a third of the country and displaced 33 million people,⁶⁶ have increased, further underscoring Pakistan's vulnerability to climate-induced disruptions. At the same time, droughts have become more frequent and enduring, particularly in the southern Sindh and Balochistan provinces.⁶⁷ About 92% of Pakistan is characterized as semi-arid to arid, and as of 2026, per capita water availability in Pakistan has declined to water-scarcity level of 1,000.⁶⁸ This looming shortage will likely deepen economic disparities and exacerbate already-high interprovincial tensions. Meanwhile, Pakistan's atmospheric pollution levels have risen sharply, with Lahore, its second-largest city, regularly ranking as the most polluted in the world.⁶⁹

To address climate-related threats, Pakistan introduced its National Climate Change Policy in 2012, aimed at driving resilience by integrating climate considerations into the country's most economically and socially vulnerable sectors.⁷⁰ Between 2010 and 2014, approximately 6% of Pakistan's federal budget was allocated to climate-related expenditures, primarily in the energy and transport sectors.⁷¹ Moreover, under its Nationally Determined Contribution to the Paris Agreement, Pakistan committed to reducing its projected greenhouse gas emissions by up to 50% by 2030. Of this target, 15% is unconditional while 35% is contingent on international financial support.⁷² Additionally, Pakistan's NSP lists climate security as a national security imperative.⁷³

Pakistan has also worked to expand its capacity in the renewable sector, increasing solar capacity from a mere 40 megawatts in 2014 to 1,244 megawatts in 2023.⁷⁴ Despite baseload limitations linked to renewable energy, long-term planning and a strategic vision can enable Pakistan to increase the share of renewable energy, reduce greenhouse gas emissions, and fulfill its climate responsibilities, all while successfully balancing energy security and sustainability.

Pakistan is also home to one of the world's largest mangrove restoration projects in the Indus River Delta.⁷⁵ Mangroves, absorb more carbon dioxide than other forests, and play a crucial role in preventing floods and supporting marine ecosystems. Initiated in 2021 and spanning approximately 350,000 hectares, the project is expected to absorb around 142 million tons of carbon dioxide over the next 60 years.⁷⁶ What's more, the initiative has generated significant revenue for both the government and the private sector through carbon credits, with estimates suggesting it had earned the government around \$40 million by 2023.⁷⁷ The government is targeting \$12 billion in carbon credit afforestation sales by 2075.⁷⁸

However, Pakistan's climate challenge remains monumental. Its ability to achieve its climate goals — essential for reducing its vulnerability — depends on securing sizable international grants to cover the estimated \$40 billion associated with these efforts.⁷⁹ Pakistan's adaptation needs alone have been assessed at between \$7 billion and \$14 billion annually.⁸⁰ Unfortunately, only about 25% of global climate finance goes to the Global South,⁸¹ despite developing countries' urgent need for substantial investments in infrastructure and energy access. Climate diplomacy plays a critical role here. By collaborating with other states, particularly those in the Global South, vulnerable countries can push developed countries — which are historically responsible for the majority of greenhouse gas emissions — to take greater responsibility and provide both technological and financial support to help the developing world tackle climate change challenges.

In this context, Pakistan has emerged as a vocal advocate for climate justice. Recognizing that the burden of climate change should not fall disproportionately on vulnerable countries, Pakistan has pushed for a more equitable global response. It advocated for the establishment of the Loss and Damage Fund at COP27 in 2022, which marked a step forward for climate justice. As chair of the Group of 77 (G77) and China negotiating group, which represents over 130 countries, Pakistan played a key role in securing the agreement to establish the Fund.⁸² While questions remain about its funding and management, this initiative created an opportunity for climate-vulnerable middle powers — like Pakistan, South Africa, Brazil, and India — to come together and advance a common position on shared challenges and threats.

These countries occupy a unique space in global climate diplomacy; they can exert influence and represent the concerns of both vulnerable and emerging economies. By forming coalitions within the Fund, these nations have an opportunity to amplify their voices, shaping climate action to benefit a wider array of developing countries. Beyond immediate climate resilience, they could cooperate in technology transfer, green finance, and sustainable development. In addition to the G77 and China coalition, Pakistan is a prominent member of two other major negotiating blocs at international climate talks: the Like-Minded Developing Countries (LMDCs) group and the Coalition for Rainforest Nations (CfRN).⁸³ These blocs also allow Pakistan to amplify

the voices of the Global South, advocate for climate justice, and strengthen collective action on global climate challenges.

All of this, however, now depends on how the world adjusts to Washington's departure from the climate arena. As the natural successor to U.S. leadership, Europe must lead climate action, ensuring the agreed-upon emissions cuts and global investments to achieve these goals.⁸⁴ While vulnerable countries like Pakistan face an even more daunting challenge in a world disunited over climate change, Pakistani leaders and other vulnerable middle powers must continue to press the Global North for support. For Pakistan, this is no less than a question of long-term survival.

Bridging Political Divides Through Climate Diplomacy in South Asia

One extremely challenging but highly rewarding avenue for climate cooperation that Pakistan should explore is with its archrival, India. Pakistan is far from the only South Asian country affected by climate change. According to a World Bank report, approximately 750 million people in South Asia have been affected by climate vulnerability.⁸⁵ According to the Council on Energy, Environment and Water, India ranks as the seventh most likely country to experience extreme weather events,⁸⁶ and approximately 80% of the population lives in districts frequently affected by climate extremes.⁸⁷ Given South Asia's dense populations, fragile infrastructure, and resource constraints, climate-induced disasters can have catastrophic consequences for both India and Pakistan. Their shared vulnerability begs for a mature discussion between the two neighbors. Even their militaries should welcome such a conversation, as they are directly affected by glacial melting and the resulting glacial lake outburst floods. For instance, a massive avalanche in 2012 killed over 120 Pakistani soldiers deployed at the Siachen glacier, the highest battleground in the world. The episode led the Pakistan army chief to call for a permanent resolution to the Pakistan-India faceoff there, given the location's vulnerability to climate-induced disasters.⁸⁸

An even more compelling reason to initiate bilateral climate diplomacy is the immediate, mutual crisis of annual smog engulfing both Lahore and New Delhi. The air quality index in these cities hits dangerous levels during the winter months, directly impacting millions and creating an environmental and health emergency.⁸⁹ The threat is truly shared; emissions cross the border between the two countries, meaning that air quality in one affects the other. While vehicular and industrial emissions play their part, stubble-burning by farmers in both India and Pakistan is a significant contributor to this environmental catastrophe.⁹⁰

Smog presents a unique opportunity for collaboration between these two adversaries, not only at the national level but between the provinces of Pakistani and Indian Punjab, where the problem is most acute. By pooling resources, sharing data, and conducting joint research, the neighbors can mitigate the immediate health impacts of smog while paving the way for broader climate initiatives. Scientists and policymakers from both countries could partner to develop innovative solutions to stubble-burning, such as alternative agricultural practices or more efficient waste management systems, and curtail other sources of emissions.⁹¹ Successful models could also be shared with other countries suffering from smog.

Moreover, there is potential for unified action from India and Pakistan on climate justice and reparations.⁹² By aligning their voices with other South Asian countries, they could amplify the Global South's demand for reparations for climate change impacts. A hint of such alignment —though not yet active collaboration — emerged during the COP27 and COP28 meetings in 2022 and 2023, where both sides found common ground regarding the establishment of the Loss and Damage Fund.⁹³ Such cooperation is now even more essential given recent U.S. actions. Washington's opposition to climate efforts has effectively eliminated the possibility of any joint U.S.-China efforts to promote resilience against climate-induced risks in South Asia. In the past,

Washington and Beijing might have eventually backed efforts to improve infrastructure for climate adaptation and mitigation, support disaster response capabilities, and contribute to climate resilience projects in the region. Quadrilateral dialogue between the United States, China, Pakistan, and India could have addressed aspects of climate adaptation and mitigation that are not politicized.

Today, such collaboration is unrealistic not only due to the U.S. position, but also because prospects for bilateral climate cooperation between India and Pakistan have dimmed following India's unilateral announcement in April 2025 that it was forcing the Indus Waters Treaty (IWT) into abeyance.⁹⁴ The IWT is a World Bank-brokered water division treaty between the two countries that protects the overwhelming majority of Pakistan's water supply. After India's announcement amid heightened tensions between the two nations, the Pakistani National Security Committee — the apex consultative body on national security — immediately responded by declaring that Pakistan would consider any Indian effort to starve Pakistan of water as an “act of war.”⁹⁵ This issue of Pakistan's water lifeline will have to be addressed before broader questions of climate cooperation can return to the table.

Pakistan's Security and Counterterrorism Cooperation

Pakistan's regional and global security relevance can be categorized into three domains: its role as a security provider, as a recipient of military technology and equipment, and as a counterterrorism partner.

Pakistan as a Security Provider

Throughout its history, Pakistan has had an outsized influence on the global security architecture. For nearly half of its 78-year existence, its earlier-recounted role as a front-line U.S. ally placed it at the center of international affairs. Its policies have profoundly shaped global politics, whether during the Afghan jihad of the 1980s or the post-9/11 War on Terror. While the country's NSP seeks to disentangle the country from such regional conflicts, its present leadership has enthusiastically joined President Trump's Board of Peace, signaling its intent to reenter the U.S.-led security orbit. Pakistan also joined the small group of Muslim states proactively urging the U.S. President to force a ceasefire in Gaza in late 2025.⁹⁶

Simultaneously, Pakistan has signaled its recognition of the importance of constructing non-Western middle power security alliances in response to perceived American retrenchment. Leveraging its military prowess and experience in security diplomacy — specifically its history of supporting partner regimes in the Gulf — Pakistan signed a Strategic Mutual Defense Agreement (SMDA) with Saudi Arabia in September 2025. The agreement transforms a strong, but informal and episodic, pattern of military cooperation between the two sides into a binding mutual defense treaty, with the explicit provision that both countries will defend each other in case of any aggression against them.⁹⁷ Given Pakistan's nuclear capability, the agreement's significance extends beyond the bilateral relationship to encompass broader questions of regional deterrence. While there is ambiguity over the agreement's true intent and operationalization, the development underscores Pakistan's (and Saudi Arabia's) appreciation for hedging strategies amid an increasingly uncertain global security order.

Since finalizing the agreement, Pakistan has found itself at the center of the regional mediation efforts to end the 2026 U.S.-Israeli war in Iran, playing a deft balancing act to bring U.S. and Iranian interlocutors together and receiving global praise in the process.⁹⁸ The war in Iran has, however, also exposed a major faultline in the Gulf, with the UAE's diplomatic proximity to Israel and rift with Saudi Arabia not only causing tensions within the members of the Gulf Cooperation Council but also leading to a rupture of the UAE-Pakistan relationship.⁹⁹ While Israel has touted a “hexagon of alliances” with the UAE and other countries beyond the

Middle East, Turkey has expressed keen interest in joining the Pakistan-Saudi pact, and other nations may find the agreement attractive for securing their interests in a chaotic Middle East.¹⁰⁰ Egypt also seems to be leaning towards this geopolitical grouping.¹⁰¹ This potential expansion has led some to see the Pakistan-Saudi agreement as a fundamental restructuring of security arrangements spanning South and West Asia.

Beyond these recent developments, Pakistan has demonstrated its value as a security actor through its longstanding contributions to multilateral security engagements. It has been a major contributor to UN peacekeeping operations, with over 200,000 Pakistani peacekeepers serving in nearly 50 UN missions since 1960, and more than 180 losing their lives in the line of duty.¹⁰² Pakistan was also one of the first countries to achieve the UN goal of deploying 15% female officers.¹⁰³ The country actively participates in key maritime security initiatives, including the Combined Maritime Forces, a 47-nation partnership based in Bahrain.¹⁰⁴ Pakistan has also collaborated with regional organizations to combat terrorism and separatism. It is a key member of the Regional Anti-Terrorism Structure (RATS) under the Shanghai Cooperation Organization (SCO).¹⁰⁵ Pakistan's multilateral role in security cooperation is likely to continue regardless of the larger geopolitical currents affecting global collaboration.

Pakistan's Evolving Balancing Act in Its Quest for Military Modernization

The Pakistan military owes much of its strength to Western and, more recently, Chinese equipment and technology. Historically, Pakistan's security assistance relationship with the United States has been rather bizarre, shifting from being a leading recipient of U.S. military assistance during the Cold War to facing outright sanctions almost immediately afterward. While Pakistan received significant assistance post-9/11, that aid dried up again, driven by India's reservations as Washington and Delhi drew closer. Still, the Pakistan military's Western orientation has not disappeared. If the United States agreed to supply advanced military technology, imports would continue today. Pakistan has also benefited from U.S. military training programs and intelligence-sharing arrangements that have helped bolster its counterterrorism efforts.

China has filled the vacuum created by fluctuating U.S. support, emerging as Pakistan's largest defense supplier and offering a steady flow of conventional arms and advanced platforms. From 2019 to 2023, it supplied 82% percent of Pakistan's arms, up from 69% from 2014 to 2018.¹⁰⁶ China has also integrated into Pakistan's military-industrial complex through joint ventures such as JF-17 fighter jet production and various technology transfers, providing Pakistan with greater self-reliance in arms production.¹⁰⁷ While this partnership has offered Pakistan a lifeline to maintain some semblance of strategic balance against India, which continues to expand its defense capabilities with support from Western powers as well as Russia, Chinese equipment may increasingly become Pakistan's technology of choice even if Western equipment becomes available again. In this regard, the 2025 conflict between India and Pakistan may have been the watershed moment. During the crisis, Chinese fighter jet technology made global headlines as Pakistan's air force downed the much-touted French Rafale and other Indian jets.¹⁰⁸ Pakistan's military demonstrated that its collaboration with China was not merely situational; it offered Pakistan a qualitative advantage over its adversary in critical domains. Such demonstrations of technological superiority in a combat environment offered a wakeup call for the West.

To address other specific defense needs and further diversity its options, Pakistan has also turned to Turkey, whose defense sector has rapidly expanded in recent years. According to the Stockholm International Peace Research Institute (SIPRI), Turkey emerged as Pakistan's second-largest arms supplier in 2023, accounting for 11% of Pakistan's total arms imports,¹⁰⁹ a significant increase from 2007, when Turkey's contribution was only 3.5%.¹¹⁰

Although Pakistan remains a minor supplier in global defense equipment, it has a growing defense export sector. It views this sector as a potential source of fresh security partnerships and foreign exchange earnings. The country's bid to raise its profile among defense exporters received a major boost following the performance of its air force during the 2025 crisis with India. Multiple countries have since expressed interest in purchasing the Chinese-designed JF-17 thunder jet from its Pakistani production line.¹¹¹ While these avenues are likely to expand, Pakistan's conventional defense needs will also continue to grow, driven by India's exponential increase in its defense expenditure over the past two decades. The country will still need to source much of its advanced military technology and platforms from external suppliers — another reason to maintain strong partnerships with both China and the West.

Ideally, Pakistan could somehow convince both the West and China to continue supplying arms and technology even as they engage as competitors in the defense industry, wary of transferring technological know-how — especially from the West to China — through recipients like Pakistan. If the West's post-Cold War reluctance to fulfill Pakistan's demands continues, it will inevitably open up even greater space for China to increase Pakistan military's dependence on its technology.

Counterterrorism Cooperation

While defense deals remain important in a conflict-prone South Asia, the India-Pakistan military competition is not the primary reason for Pakistan's relevance in the regional security landscape. Rather, it is Pakistan's role in the counterterrorism domain that compels the United States, China, and other countries to engage with Islamabad in this area, even though the specific groups that threaten each external power vary widely.

India and Western countries have often accused Pakistan of being part of the terrorism problem. For years, Pakistan's claims of Indian human rights abuses in the disputed territory of Kashmir, as well as Indian support for terrorism within Pakistan, have been overshadowed by India's accusations of Pakistan's support for violent militancy in the region. In the early 2000s, despite being highly dependent on Pakistan in the War on Terror, the United States constantly accused the country's military of playing a double game — supporting the Afghan Taliban while purporting to be a U.S. ally.¹¹² In response, Pakistan blamed the United States, highlighting how its initial support of the Afghan mujahideen — the predecessors of the Taliban — began in the 1980s under Washington's tutelage.¹¹³ Pakistan's more vociferous critique centers on what it perceives as global indifference to the thousands of casualties it suffered as a direct fallout of the post-9/11 U.S.-led military campaign in Afghanistan.¹¹⁴

Despite these clashing perspectives, all major powers in the South Asian neighborhood recognize Pakistan's critical role in the global fight against terrorism. As a result, Pakistan's own vulnerability to terrorism is a source of immense concern. No country — irrespective of its relationship with Pakistan — wants to see Pakistan destabilize irreversibly at the hands of terrorists.

Today, there is genuine cause for concern. After claiming victory over terrorism in the past decade, Pakistan's periphery is yet again in the grips of rising violence. From Balochistan province in the west, where militant groups are fighting a secessionist movement, to the onslaught of the Pakistani Taliban in the northwest, Pakistan experienced a 34% increase in terrorist attacks in 2025 compared to the previous year, reporting over 1,000 casualties.¹¹⁵ Domestic political turmoil is adding to regional instability. Pakistan blames India for using these groups as proxies to perpetrate terrorism. In the past, it has shared evidence to substantiate its claims.¹¹⁶

For China, terrorism within Pakistan has assumed a personal and urgent dimension. Since 2017, 21 Chinese citizens have been killed or injured in terrorist attacks within the country.¹¹⁷ Most of these attacks have been claimed by the Balochistan Liberation Army (BLA), ostensibly in opposition to CPEC. China has been uncharacteristically vocal about the safety of its citizens, prioritizing their well-being in its relationship with Pakistan.¹¹⁸ China's public posturing creates a perverse incentive for further attacks, as the perpetrators' primary objective is to create a rupture in the Pakistan-China relationship. In response, China has demanded a provision for its own private security presence in Pakistan to protect its citizens,¹¹⁹ which Pakistan has denied for fear that the presence of a larger number of Chinese could be potential terrorist targets. It is also wary of further Chinese ingress within Pakistan and the reactions this would elicit from the United States.

Regionally, too, Pakistan's counterterrorism role is undeniable. The Afghan Taliban's return to power — and increasing evidence of their continued linkages with Al Qaeda and support to the Pakistani Taliban — have caused fresh alarm in the West. Furthermore, the presence of ISIS on Afghan soil, even if in opposition to the Afghan Taliban, has deepened these concerns. While the United States is no longer invested in transforming Afghanistan into a modern democracy, it retains a keen interest in ensuring that anti-Western terrorist groups do not find sanctuary there. ISIS, Al Qaeda, and the Pakistani Taliban — also housed in Afghanistan — are seen as a transnational threat.

In contrast, the East Turkestan Islamic Movement (ETIM), a Muslim separatist group founded by militant Uighurs, remains a primary security concern for Beijing. The group targets China's restive Xinjiang region.¹²⁰ It has operated over the decades in the Pakistan-Afghanistan border region and has established links with terrorist organizations, such as Al-Qaeda. China is also concerned with Baloch militant groups like the BLA, which target Pakistani security personnel, Chinese citizens, and CPEC infrastructure in Balochistan.¹²¹ However, the United States and other Indian partners remain focused on ensuring Pakistan continues to prevent operations by anti-India militant groups that have been active for years in Kashmir. Despite the West and China's differing perceptions and interests, efforts to counter the militant presence in Pakistan and Afghanistan — at least to prevent terrorism from spreading to other regions — remain their common interest.

Irrespective of the mistrust between Pakistan and the West on terrorism and China's frustration regarding Pakistan's inability to protect Chinese citizens, Pakistan's extensive experience in counterterrorism makes it an indispensable player. Its geographical proximity to Afghanistan and shared history with the country uniquely positions Pakistan to influence regional security dynamics and prospects for stability. No other country wants to reenter Afghanistan with a broad military-backed agenda, which makes Pakistan's role even more central. Through intelligence-sharing, border security cooperation, and counterterrorism assistance, Pakistan should continue cultivating its essential role in regional counterterrorism efforts.

The Pakistani military has already raised concerns about the rapid resurgence of terrorism in the region and called for U.S. reengagement.¹²² Pakistan's relevance in this arena is such that it received a positive response from Washington, despite the Trump administration's reduced emphasis on counterterrorism partnerships. In fact, the recent turnaround in the U.S.-Pakistan relationship was triggered by a Pakistani intelligence operation — based on a U.S. tip — that led to the arrest and subsequent extradition of the mastermind behind the 2021 Abbey Gate bombing in Afghanistan, which killed 13 U.S. servicemembers.¹²³ Pakistan's actions elicited public praise from Trump in his address to the U.S. Congress, and U.S. officials have continued to praise Pakistan as a counterterrorism partner since. In August 2025, the U.S. State Department formally designated BLA as a Foreign Terrorist Organization (FTO), fulfilling a longstanding Pakistani demand. The U.S. administration also publicly defended Pakistan's recent military campaign against the Afghan Taliban, launched to punish them for their unwillingness to prevent cross-border terrorism by the Pakistani Taliban.¹²⁴

Counterterrorism efforts are set to become even more important for Pakistan and the United States as they embark on planned joint ventures in critical minerals. These projects are primarily located in Pakistan's western region, which borders Afghanistan — the areas most affected by terrorism. Critical mineral exploration will need to go hand in hand with counterterrorism to protect against terrorist attempts to undermine U.S. investments. Given that China also invests in this part of Pakistan, this could serve as an area of potential cooperation among the United States, China, and Pakistan, aligning with Pakistan's geo-economic vision to create common U.S. and Chinese economic stakes within its territory.

Admittedly, forging such cooperation between the two great powers will not be easy. While the United States, China, and even Gulf states like Saudi Arabia — all desperate to avoid any economic disruptions — may provide monetary support to Pakistan to bolster its counterterrorism efforts, inherent contradictions in their specific approaches will continue. Both the United States and China may pressure Pakistan for results against outfits that oppose them specifically while looking the other way when it comes to activities of groups targeting the other. Meanwhile, countries like India may not feel threatened by terrorism within Pakistan if the violence is not flowing toward them.

For Pakistan, such a differentiated approach to terrorism on its soil will not be beneficial. It must find a way to align the relevant countries' interests so they see greater value in sincerely supporting Pakistan's efforts against all terrorists. By emphasizing the current severity of the threat and the ease with which these militant groups co-exist, Pakistan can drive home to U.S. and Chinese policymakers that selective counterterrorism approaches are ultimately counterproductive. The United States should understand this logic given that it claimed to be a victim of Pakistan's selective approach against terrorism in its post-9/11 campaign in Afghanistan and vociferously opposed a good-versus-bad-terrorists distinction. In addition, Pakistan must look to regional mechanisms like SCO's RATS to broaden buy-in against terrorism among member states, especially that emanating from Afghanistan.

Regional collaboration also holds promise in curbing the illicit drug trade. Narco-trafficking has an intrinsic link to terror financing,¹²⁵ and Afghanistan has long been a major producer of opium. The notorious "hash highway" originates in Afghanistan, passes through Pakistan, and ends in Europe.¹²⁶ Virtually all countries affected by Afghan opium production — directly or indirectly — have a stake in addressing narco-trafficking and stand to gain from closer coordination in this regard.

In all likelihood, counterterrorism will keep Pakistan relevant to the global security architecture for years to come. The United States, other Western countries, and China are expected to remain engaged and continue supporting Pakistan's efforts to suppress the ability of transnational groups to act regionally or globally. The outcome of this collaboration will inevitably impact evolving geopolitics, as it could be the difference between a region defined by an unstable Pakistan and a collapsed Afghanistan and one where Pakistan contributes to a safer world by keeping terrorist threats in check.

Pakistan: A Non-Player in the Global Technology Game

In today's global economy, technological strength has become increasingly integral to national power, alongside traditional pillars such as a strong economy, military capability, political influence, and geographic location. The U.S.-China technological rivalry has become a defining feature of contemporary geopolitics, with each side vying for an advantage in chip-making, artificial intelligence, 5G technologies, and related areas. The United States passed the CHIPS and Science Act in 2022, authorizing billions of dollars to bolster domestic semiconductor production while curtailing exports to a handful of countries.¹²⁷ It has also taken

measures to limit China's access to semiconductor technology.¹²⁸ China, on the other hand, is investing aggressively to develop its own expertise in semiconductor research, design, and development.¹²⁹

While the United States has long dominated the technology sector, China has recently emerged as a major competitor, striving to expand its tech exports to African and Asian nations by offering more affordable alternatives.¹³⁰ Over the last few years, the intensifying technology competition between the two nations has triggered fears of technological decoupling,¹³¹ with significant implications for the developing world, which fears that a "tech curtain" will force a binary choice and risk cutting them off from one of the two supply chains.

Pakistan is essentially a non-player in the high-end technology space, despite the substantial expansion of its tech landscape since the COVID-19 pandemic and the notable growth of its digital service exports.¹³² In comparison to its peers, Pakistan's tech sector is miniscule. It relies heavily on imports and does not participate in strategic tech alliances, manufacturing, and supply chains.¹³³ High-technology products make up only 2% of the country's total exports.¹³⁴ In January 2022, Pakistan unveiled the Pakistan National Semiconductor Plan (PNSP), aimed at positioning the country as a potential hub for chip design and light fabrication.¹³⁵ Little progress has been made to date.

According to recent figures, Pakistan has 111 million internet users, translating to less than 50% internet penetration across the country.¹³⁶ Unlike many other middle powers, Pakistan currently lacks access to 5G coverage.¹³⁷ In 2023, the country ranked 45th out of 52 in the World Internet Development Index,¹³⁸ and 99th out of 139 economies in the Global Innovation Index.¹³⁹ In the Global AI Vibrancy Tool — which ranks countries across eight key pillars of artificial intelligence — Pakistan ranks 76th out of 83 countries.¹⁴⁰ Pakistan has also consistently ranked low on important digital metrics, such as the Global Connectivity Index and the E-Government Development Index.¹⁴¹

For now, Pakistan's only channel to gain technological relevance is through its rare earth and critical minerals resources, which are essential to the emerging and future global economy. In September 2025, Islamabad signed a \$500 million agreement with Washington to export rare earth and critical minerals.¹⁴² If Pakistan is able to attract U.S. investment to develop this sector, it may position the country as a key player in the critical minerals supply chain, creating fresh interdependencies between the two nations. However, this is a long-term vision. At present, the urgent question for Pakistan is how to benefit from advanced technologies from China and the United States in the context of a global "tech curtain."

Given Pakistan's dependence on both economies, falling on either side of the tech divide would be detrimental; it risks losing access to a primary supply chain or increasing production costs in the few export sectors where Pakistan remains competitive. To navigate this, Pakistan must work to increase scientific cooperation with China while simultaneously reviving its past collaboration with the United States in this area. In 2003, Pakistan and the United States signed the comprehensive U.S.-Pakistan Science and Technology Cooperation Agreement. Between 2005 and 2017, 110 projects were funded across health, water, agriculture, and energy. However, no new projects have been initiated since 2017, suggesting an opportunity for both sides to revisit and revitalize this framework.¹⁴³ Pakistan could also explore relocating high-end technology manufacturing from China that has been affected by U.S. sanctions. By offering lucrative arrangements to international companies (or Chinese companies with a Pakistani parent or joint venture), Pakistan could incentivize them to establish a local presence. This would not only drive export gains but also foster local capacity building over time. However, to attract such companies, Pakistan needs to strengthen domestic digital infrastructure, enhance data privacy measures, and improve its regulatory environment. Moreover, it must resolve domestic security challenges and the energy crisis, both major deterrents to foreign investment.

Another area of potential — though not strictly in the high-end technology space — is digital connectivity. China’s Digital Silk Road (DSR), which launched in 2015 as part of the BRI, includes investments in telecommunications, artificial intelligence, cloud computing, and smart cities. DSR also lends technical assistance through which Pakistan could modernize its tech sector.¹⁴⁴ Additionally, the Pakistan-China Fiber Optic Project aims to become an “international gateway route for the voice/data traffic by providing connectivity between China and Central Asian States with Middle East, Africa, Europe and beyond, also linking neighboring countries through direct connectivity.”¹⁴⁵ Finally, the Digital Cooperation Organization (DCO), co-founded by Pakistan in 2020, seeks to accelerate the advancement of the digital economy.¹⁴⁶ With Saudi Arabia championing this initiative, it could open doors for Pakistan-Gulf collaboration in digital connectivity, including potential links between China and the Gulf through Pakistan.

Pakistan’s Vision and Challenges as a Middle Power

The growing U.S.-China rivalry lies at the heart of the gradual waning of the post-Cold War unipolar moment. For countries like Pakistan, this intensifying contestation presents the daunting prospect of being forced to pick a side, a situation complicated by the fact that its security and economic fundamentals are intrinsically tied to both great powers and its geography precludes the option to remain a mere bystander. Pakistan’s challenge is especially acute because its most meaningful international partnerships lack diversification. In terms of great powers, Russia has had an antagonistic relationship with Pakistan for much of its history, and despite a thaw in recent years, Islamabad remains peripheral to Moscow’s calculus. India, a rising power, is Pakistan’s principal enemy. Meanwhile, its other middle power partnerships remain limited to the Gulf and Turkey. While Pakistan is working to strengthen these ties, India’s influence continues to overshadow all other regions. The U.K. and Europe remain important economic partners, but they are far more aligned with India on strategic issues. These powers have further bolstered their ties with New Delhi through major trade agreements in the wake of President Trump’s diplomatic onslaught against Europe.¹⁴⁷

Pakistan’s challenge is to secure multialignment despite internal fragility and heavy dependence on its major external partners. It must retain strong ties with the United States — not least to access Western financing — while managing its relationship with India to avoid a strategic imbalance in South Asia and maintaining its robust economic and security relationship with China. How Pakistan fares in this exercise in simultaneity will drive the country’s future trajectory.

Four years ago, the NSP provided a blueprint for Pakistan to turn these challenges into opportunities. Political and military leaders have since reaffirmed this vision in various policy statements. The NSP envisions the country as a bridge between major powers and a center for regional connectivity, avoiding entanglement in adversarial geopolitics and strict alignment with any great power bloc. However, Pakistan’s current regional context makes this goal especially difficult to achieve. Among its neighbors, Afghanistan and Iran are internationally isolated and sanctioned to varying degrees. Relations with Afghanistan are broken, while India appears intent on stalling any possibility for forward movement. Furthermore, while Pakistan-China relations are extremely strong, the closer Pakistan gets to China, the warier Western capitals become of Chinese designs in the region. Finally, Pakistan’s successful hedging through fresh security partnerships, like the one with Saudi Arabia, offer benefits but also risk embroiling the country in new conflicts in the Middle East.

The Elephant in the Room: The India-Pakistan Relationship

The key to resolving Pakistan’s regional dilemma — and opening the most promising window for positive economic interdependence — lies in rectifying its most broken relationship: India.

A turnaround in this relationship is necessary to optimize any connectivity corridor in South Asia; without an east-west axis, the Chinese-led north-south corridor remains limited in reach. New Delhi's own self-interest should dictate openness toward improving ties with Pakistan, as activating the east-west connectivity corridor will provide direct access to Central and West Asia. Washington's propensity of recent years to view Pakistan as an inevitable member of the China camp — and an opponent of its partner, India — may also dampen if it sees India benefiting from a more regionally integrated Pakistan. This shift is even more likely now that President Trump is actively trying to rebalance relations between India and Pakistan, seeing a benefit in their improved ties. The United States' own appetite for investing in major regional initiatives may grow, if only as a means of maintaining its influence in the region. Consequently, Pakistan's propensity to undermine India and India's fears of Pakistan acting as a Chinese proxy may both be tempered. As these interests become intertwined in a complex web, all sides may recognize the benefits of avoiding hard camp politics. Pakistan would be forced to avoid moves that cross either great power's red lines, while the United States and China would find reason not to demand such extreme decisions in the first place.

Unfortunately, under Prime Minister Narendra Modi, the Indian government has closed all doors for meaningful dialogue with Pakistan. While both countries have missed opportunities for forward movement in recent years, India currently seems consumed by a hardnosed policy anchored in the belief that the fast-growing military and economic differential between the two will soon allow New Delhi to force Pakistan into a lopsided political settlement of their outstanding disputes. Despite President Trump's hardline position on India over the past year, and his calls for India and Pakistan to avoid conflict, India remains unwavering, with officials repeatedly signaling their intention to maintain pressure on Pakistan.¹⁴⁸

In May 2025, the Modi government escalated tensions significantly by directly engaging Pakistan through kinetic action. In response to a terrorist attack in Kashmir, India launched a military campaign, employing new platforms and selecting highly escalatory targets.¹⁴⁹ The conflict concluded in a military stalemate after Pakistan's equally uncharacteristic and forceful response; India exited the crisis expressing its resolve to take future military action.¹⁵⁰ This crisis may prove to be a watershed moment, as it could make it politically untenable for Pakistani leaders to continue asking for dialogue, potentially leading them to mirror India's stance of dismissing diplomatic avenues entirely.

This would compound the larger diplomatic reality that India's global rise and its pointed efforts to cast a negative shadow on Pakistan have already narrowed Pakistan's circle of trusted partners. Until recently, there was bipartisan consensus in Washington favoring India. Most in the U.S. capital continue to accept India's characterization of Pakistan as a state sponsor of terrorism and a Chinese proxy in South Asia. It is also no coincidence that Pakistan remains excluded from virtually every successful regional or multilateral grouping of which India is a member. Apart from the Organization of Islamic Countries, India has managed to prevent Pakistan's inclusion in all meaningful regional partnerships — from ASEAN to the Indian Ocean Rim Association to all sub-regional South Asian arrangements. The entire Indo-Pacific is also all but closed to Pakistan due to the anti-China nature of U.S.-led regional groupings there. While both India and Pakistan are integral parts of the South Asian Association for Regional Cooperation (SAARC), India-Pakistan relations have rendered the grouping ineffectual, with Prime Minister Modi sidelining SAARC in favor of bilateral and sub-regional arrangements.¹⁵¹ The few multilateral arrangements in which Pakistan and India are both members, like the Shanghai Cooperation Organization (SCO), hold some promise but refuse to broach bilateral issues that could help ease South Asia's political divide.¹⁵²

Unfortunately, for now, the two sides seem destined to remain at an impasse that will keep the region locked. Both lose out, but for Pakistan, the regional and global consequences may become truly unsustainable. India recognizes this and seems to be playing for time precisely for this reason.

Finally, to state the obvious, Pakistan's middle power aspirations will remain just that regardless of its external relations unless it can ensure internal political and economic stability. Its recurring economic crises, political instability, and security challenges impede its ability to undertake a proactive and robust foreign policy in pursuit of cooperative geo-economics. While many of its internal challenges are linked to its external realities, it is equally true that multiple internal reforms are needed to incentivize positive international reactions. Pakistan must undertake significant domestic reforms to increase its foreign exchange earnings and attract greater investments, even from friendly countries. CPEC continues to suffer from bureaucratic hurdles and poor implementation, much to the dismay of Chinese investors. Furthermore, the resurgence of terrorism is causing domestic and international alarm but also discouraging partner countries from focusing serious positive attention on Pakistan. Pakistan's perennial political instability triggered by a civil-military divide and parochial power politics is at the heart of the entire situation, preventing a stable government and making policymaking unpredictable and self-serving. These domestic challenges weaken Pakistan's agency as an influential and constructive middle power.

Looking ahead, Pakistan may be in the eye of the storm more than any other middle power as the U.S.-China competition intensifies. Successfully navigating the evolving geopolitical landscape in line with its geo-economic vision could once again elevate Islamabad's stature as a bridge builder in international politics, but failure to do so will only exacerbate its internal challenges and geopolitical vulnerabilities, eventually forcing a hard choice between the United States and China. It is a moment Pakistani decision-makers are desperate to avoid.

Recommendations

For Pakistan

- Domestically, Pakistan must assemble the necessary ingredients for a revived economy. This includes:
 - Broadening its export base, focusing on sectors that also help create regional and extra-regional stakes in a stable Pakistani economy.
 - Removing hurdles to export-oriented FDI and opening up key sectors with high potential, like rare earth and critical minerals.
 - Increasing domestic revenues to be reinvested in human capital and incentivizing economic growth.
- A prerequisite for sustained economic revival and the serious pursuit of cooperative geo-economics is a return to political consociationalism that ensures predictable politics and economic policies.
- As the only major initiative with the potential to transform Pakistan's economic output, CPEC must be pursued in earnest, and projects must be completed in a timely manner. This is also necessary to ensure all required transport infrastructure is in place for broader regional connectivity.
- To ease Western concerns about CPEC, Pakistan and China should offer maximum transparency on the project terms, including the debt burden — and subsequent dependency — placed on Pakistan. This addresses a longstanding Western demand and will allay concerns about any diversion of Western funds to pay off Chinese debt.

- Pakistan should actively create conditions to attract manufacturing units no longer able or willing to operate in China, ensuring the arrangement remains permissible under current U.S. restrictions. Special focus should be placed on tech-sector companies that can help Pakistan build local capacity and gradually develop its own footprint in emerging technologies.
- Equally, Pakistan should continue to incentivize the Western private sector to invest in domestic and regional initiatives, ideally including projects with Chinese investment, to keep Western interests tied to Pakistan's economy. Western technology has already powered some CPEC energy projects, but these have been one-off exceptions.
- Pakistan should consider serving as a bridge between the United States and China by engaging with both the BRI and the G7-led Build Back Better World (B3W). While the two initiatives are often positioned as rivals, Pakistan has a unique opportunity to explore their coexistence. Participating in both would dilute direct pressure to make a binary choice between great power camps while addressing Pakistan's infrastructure gaps. Washington, in turn, could benefit from using Pakistan as a re-export hub, allowing U.S. companies to access Chinese markets indirectly through local manufacturing.
- For these efforts to succeed, the Pakistani state must ensure protection of all foreign companies, their employees, and connectivity projects. Beyond administrative and policy measures to improve the rule of law in general, there is a need to reinvigorate counterterrorism efforts within the country to quash any possibility of a return to Pakistan's troubled post-9/11 era and to sustain international support for its geo-economic vision.
- In terms of regional connectivity, Pakistan must remain a committed champion of the transport and energy connectivity projects in which it is a partner. It should also continue exploring opportunities for new initiatives regardless of India's position on any particular project. While India's involvement would benefit the entire region, Pakistan cannot afford to wait for a change of outlook in New Delhi. Pakistan's increased collaboration with CARs and its support for China-led initiatives are crucial in their own right. However, a prerequisite to this is an improvement in Pakistan-Afghanistan relations. Despite Pakistan's genuine misgivings regarding the Afghan Taliban's reluctance to quell cross-border terrorism, Pakistan must reconsider its present hardnosed approach to find a balance that manages security challenges while allowing bilateral economic engagement and connectivity with Central Asia to continue.
- Digital connectivity is another promising space, but Pakistan must broaden its partnerships beyond China to avoid falling on the wrong side of the U.S.-China "tech curtain." It should continue tapping into the interest of Gulf countries and CARs to bolster digital connectivity through Pakistan.
- In terms of its diplomatic footprint, Pakistan must expand its partnerships among peer countries while reinforcing its ties with traditional middle power partners to accrue greater economic and diplomatic benefits. Proactive efforts are needed to cement relations with CARs, like Uzbekistan and Kazakhstan; Southeast Asian powerhouses, like Singapore, Indonesia, and Malaysia; and key players in the Global North, like Japan and South Korea, among others.
- Arguably the most challenging aspect of Pakistan's diplomacy remains its relationship with India. While a significant breakthrough seems unlikely for the foreseeable future, these two countries have created openings at equally improbable moments in the past. To break the current impasse, the United States and other Western countries may need to encourage India to recognize the advantages of moving past its dogmatic stance and entertaining Pakistan's offers for dialogue. While U.S. support

can no longer be guaranteed in this domain, one possible approach could involve engagement on issues related to the environment. Pressing climate-related challenges may offer a unique entry point for a gradual return to conversations on more contentious issues. However, for any progress to occur, Pakistan is likely to demand India's adherence to the IWT as a prerequisite.

- Relatedly, Pakistan's exclusion from potent regional political and economic groupings is affecting its ability to access lucrative markets and solicit diplomatic support from key countries. It should continue pressing its case and find ways to circumvent Indian opposition in seeking admission into groupings like ASEAN and economic Indo-Pacific partnerships.
- As one of the leaders of the Global South, Pakistan should continue to champion climate diplomacy despite U.S. opposition. It should also use climate as a vehicle to diversify and enhance its middle power partnerships.
- In addition, Pakistan should maintain its relevance as a middle power through middle power security partnerships, multilateral forums, and peacekeeping roles. Over the next two years, it must also use its position as a non-permanent member of the UNSC to champion global cooperation and peace, including in its neighborhood — despite Pakistan's involvement in President Trump's Board of Peace, which skeptics see as the U.S. President's attempt to create a parallel platform for global diplomacy outside the UN auspices. While doing so, however, it should be careful not to become entangled in regional conflicts.
- Finally, Pakistan should continue to express its willingness to remain a partner in regional and global counterterrorism efforts and continue seeking support for its endeavors.

For the United States and China

The United States and China recognize Pakistan's potential as a stabilizing regional partner, as well as the dangers of a relatively isolated and increasingly unstable Pakistan. However, their clashing regional interests and divergent preferences for regional allies increasingly threaten to force Pakistan into a “with-us-or-against-us” dilemma, which none of the three parties would want.

To find an acceptable equilibrium that avoids a binary future for Pakistan — which would jeopardize a more balanced, peaceful, and prosperous South Asia — the great powers must reconsider their approaches toward Pakistan.

- Pressuring Pakistan to align with either side in the U.S.-China rivalry and using it as a proxy in the next phase of great power contestation entails huge opportunity costs and risks making the nuclear state even more unstable. Both great powers should continue avoiding the temptation to put Pakistan to the test and should identify ways to pursue their regional interests through Pakistan's geo-economic vision instead.
- The United States and China must understand that connectivity within South Asia — and between South Asia and its neighboring regions — ultimately serves their strategic interests, even if specific individual projects do not. Promoting only their preferred initiatives while scuttling others essentially maintains a broken, siloed, and unintegrated nuclear-armed region. Such a status quo prevents both India and Pakistan from achieving their full potential and keeps the region unstable, with the specter of escalating tensions and transnational terrorism ever present.

- China should remain committed to supporting the timely completion of CPEC and digital connectivity projects, despite frustrations regarding security lapses and poor execution. Following expansion to Afghanistan, China should also actively push for extension of the CPEC to CARs. Pakistan, for its part, must work with China to find an acceptable mechanism to protect Chinese citizens and projects.
- China and Pakistan should agree to high levels of transparency on CPEC projects to counter concerns about servicing of loans through IMF's lending and alleged strategic motives behind its connectivity projects.
- China could also benefit by promoting its partnership with Pakistan in high-tech sectors such as artificial intelligence, robotics, and semiconductors, specifically under the Digital Silk Road initiative. In these sensitive fields, transparency would also be critical to assuage any Western concerns, especially in the semiconductor industry.
- The United States should aggressively pursue its intended investment in Pakistan's rare earth and critical minerals sector. Meanwhile, both great powers could assist Pakistan in adopting advanced technologies, especially in agriculture and energy.
- Counterterrorism remains an obvious arena of potential collaboration. Rather than narrowly focusing on outfits that threaten them directly, the United States and China should support Pakistan in preventing and countering terrorism of all types. Only then can the region expect the ultimate eradication of this menace.
- Washington, Beijing, and multilateral institutions hold the overwhelming majority of Pakistan's external debt. While they are well within their rights to use this as leverage to force progressive domestic economic reforms in Pakistan, using debt for diplomatic arm-twisting — a tactic the United States has frequently employed in the past — is ill-conceived. External powers should continue showing leniency regarding Pakistan's debt payments as long as the country is sincerely implementing the bold reforms needed for stabilization.
- Pakistan will continue to require monumental assistance for the foreseeable future. The international community, led by the United States and China, should be prepared to assist Islamabad, more through trade and investment than loans and handouts, focusing their conditionalities on economic reforms and performance. Simultaneously, they should encourage other Pakistani partners in the Gulf and elsewhere to stimulate the country's economy by doing the same.
- One of the historic strengths of Pakistan's relationships with the United States has been the people-to-people connection. These ties have sustained the relationship through the most difficult of times and helped it grow organically in better moments. Cultural and educational exchanges must be enhanced further. While China has begun to invest heavily in this sphere, visa barriers remain for Pakistanis. The same challenge has affected Pakistani citizens wishing to travel to the United States in recent years. Moreover, travel from the United States and China to Pakistan has reduced to a trickle due to safety concerns. More safe opportunities must be created to preserve this critical strength of both relationships.
- U.S. policymakers must weigh the costs of any steps that might cut Pakistan loose and force it squarely into the Chinese camp despite its reluctance to choose a side. Similarly, if China shuns India completely, it will only strengthen New Delhi's ties with Washington and further harden bloc politics in China's backyard. Such a scenario keeps India's interest in isolating and weakening Pakistan alive,

leaving China with a greater responsibility to support and protect Pakistan. This is also a potent reason for India to rethink its self-defeating strategy of isolating Pakistan. The more it pushes, the closer Pakistan and China will become, particularly in terms of military support. Instead, the United States, China, and other relevant middle powers should facilitate dialogue between India and Pakistan and among regional states more broadly. The India-Pakistan relationship holds the key to unlocking the region's potential and reducing the risk of conflict. In this regard, President Trump's rebalancing of U.S. relations with India and Pakistan is a positive development that signals that Washington does not intend to bank exclusively on India against China and Pakistan.

- The United States and China should also facilitate Pakistan's entry into regional and multilateral economic groupings to allow the country to gain preferred access to markets and investment opportunities. Neither India nor Pakistan should be allowed to use a veto to prevent the other from benefiting from economic opportunities.

Statements and views expressed in this commentary are solely those of the authors and do not imply endorsement by Harvard University, the Harvard Kennedy School, or the Belfer Center for Science and International Affairs.

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