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Pakistan-US Relations and the Geopolitics of South Asia

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Key Points

- Senior officials from Pakistan – Foreign Minister Shah Mehmood Qureshi and National Security Advisor Moeed Yousuf – have emphasised the need for a “broad-based” relationship with the United States.
- Pakistan has focussed recently on resetting its foreign policy, one example being Imran Khan’s recent visit to Saudi Arabia. Attempts to improve ties with US need to be examined in that context.
- The Biden Administration has not revised the Trump Administration’s decision to suspend military aid to Pakistan to date.
- Pakistan and the US understand each other’s strategic relevance, but the China factor is likely to be a thorny issue in their relationship.

Summary

While officials in the Biden Administration have emphasised that Pakistan is important to US foreign policy, especially in the context of achieving the goal of pulling out the remaining 2,500 US troops in Afghanistan by September 2021, many believe that the Biden Administration has not been pro-active in its engagement with Pakistan. The fact that Pakistan was not invited to the virtual Climate Summit hosted by the Biden Administration in April 2021 disappointed many in the country. This paper will examine, therefore, if the Biden Administration considers its relationship with Pakistan important or if it does not.

Analysis

Interactions between High-Level Officials of Both Countries

Pakistani Foreign Minister, Shah Mehmood Qureshi, held a conversation with US National Security Advisor, Anthony Blinken on 16 May 2021, during which he spoke about the need for a 'broad-based' relationship with the US. Qureshi also made the point that Pakistan was keen to focus on 'geo-economics' and promote greater regional co-operation. In doing so, he followed Army Chief, Qamar Javed Bajwa, and Pakistan Prime Minister Imran Khan, both of whom have spoken in favour of closer economic integration within South Asia. The issue of Afghanistan was, of course, high on the agenda during their conversation. The US State Department, while commenting on the conversation between Qureshi and Blinken [said that both sides](#):

... highlighted the importance of continued co-operation on the Afghan peace process, Pakistan's progress on countering terrorism, and the potential to expand our trade and commercial ties and to improve regional connectivity in South Asia.

During his visit to the US, Qureshi, in an interaction with US policymakers, again spoke about the need for a 'broad-based partnership' between Washington and Islamabad. In another meeting, this time with the House Subcommittee on Asia and the Pacific, Qureshi said that a broad-based partnership would put the US-Pakistan relationship on firm footing. Qureshi sought to boost the bilateral economic relationship, especially in areas like agriculture. The previous administration had also made some efforts to rekindle the trade relationship between Pakistan and the US.

Days after Qureshi's US visit, Pakistan's National Security Advisor (NSA), Moeed Yousuf also met with his US counterpart, Jake Sullivan, in Geneva. That was the first high-level in-person meeting between officials of both countries. A statement issued by US National Security Council spokesperson [Emily Horne, said](#):

Both sides discussed a range of bilateral, regional, and global issues of mutual interest and discussed ways to advance practical cooperation. Both sides agreed to continue the conversation.

The Pakistan NSA also said that the discussion with the US NSA was important.

US Defence Secretary [Lloyd Austin](#) also spoke to Pakistan Army Chief, General Qamar Javed Bajwa, on 24 May. They were said to have discussed issues pertaining to the bilateral relationship and regional security, specifically Afghanistan.

There was talk of Pakistan providing its military bases to the US, although Foreign Minister [Shah Mehmood Qureshi](#), as well as the Pakistan Foreign Office, categorically denied that. Qureshi told [Pakistan's Upper House](#) that, 'We will not allow the kinetic use of drones, nor are we interested in monitoring your drones. This is a very clear-cut policy of this government.'

The Pakistan Foreign Office spokesperson, while dismissing the talk of any US military or air base in Pakistan, said that the two countries do have an existing framework in terms of the Air Lines of Communication (ALOC) and Ground Lines of Communication (GLOC), in place since 2001.

Pakistan Finance Minister Shaukat Tarin's interview with the *Financial Times*, in which he was quoted as saying that Pakistan had benefited from its military co-operation with the US, has also created controversy. Tarin denied that he had made any such remarks.

Why Is Pakistan Looking At Resetting Ties With the US?

For the US, Pakistan is important in the context of its strategic location and, in the short term, for withdrawing its forces from Afghanistan. Second, in recent years, as a result of the changing geopolitical landscape, Islamabad has clearly moved towards Beijing. The US, noting that, has been especially critical of Islamabad's lack of transparency regarding the CPEC project and its long-term financial implications.

Pakistan realises that it cannot just be dependent upon China if it wants to pull its economy out of the doldrums. Imran Khan's visit to Saudi Arabia was a clear example of that thinking. Islamabad is beginning to reset its bilateral ties that have deteriorated in recent years but were strong previously.

Saudi Arabia assisted Pakistan in dealing with its economic crisis in 2018, by providing Pakistan with an assistance package of over [US\\$6 billion](#) (\$7.79 billion): US\$3 billion (\$3.9 billion) in loans and US\$3.2 billion (\$4.1 billion) as an oil credit facility. Despite that, the relationship deteriorated in 2020, when Saudi Arabia asked Pakistan to return US\$1 billion (\$1.3 billion). During Khan's recent visit, a number of important announcements were made with regard to bolstering the bilateral economic relationship, and most importantly Riyadh is said to have agreed in principle to revive the US\$3.2 billion deferred oil financing facility to Pakistan.

Will Biden Adopt a Different Policy vis-à-vis Pakistan?

Even with the US, Pakistan realises that there is a possibility of mending ties under the Biden Administration, even though the Biden administration has not engaged pro-actively with Pakistan. President Biden, an old foreign policy hand, is familiar with Pakistan. In fact, Biden was the original author of the Kerry-Lugar Bill, actually the Biden-Lugar Bill, which sought to provide aid of around US\$7.5 billion (\$9.7 billion) over a period of five years for civilian purposes. The Trump Administration suspended military aid in the beginning of 2018, and, given the slump in relations, was tight-fisted as far as assistance was concerned.

IMF Loans to Pakistan

The US is important to Pakistan, not only in the context of bilateral assistance, but also to access International Monetary Fund (IMF) loans. While an IMF loan to Pakistan did eventuate, albeit with strict conditions, senior officials of the Trump Administration generally opposed loans to Pakistan. Former US Secretary of State, Mike Pompeo, said:

There's no rationale for IMF tax dollars and, associated with that, American dollars that are part of the IMF funding, for those to go to bail out Chinese bondholders or China itself.

The IMF agreed to provide a [US\\$6 billion loan](#) (\$7.79 billion) under a 39-month Extended Fund Facility in 2019. In February 2021, the IMF agreed to provide an instalment of US\$500 million (\$649.9 million) after discussing some of the reforms that Pakistan would not carry out as a pre-condition. A good relationship with the US could help Pakistan in getting IMF loans restructured.

So Far, No Change to Military Aid

Significantly, the Biden Administration has stated that it has not revised the decision of the Trump Administration to [suspend](#) military aid to Pakistan. In its first budget, the Biden Administration sought funds to improve governance and fight extremism in Pakistan. A proposal sent by the State Department sought:

Funding for Pakistan [which] will support strengthened democratic governance, particularly near the Afghan border in Khyber Pakhtunkhwa province; address the drivers of violent extremism and support stability in Afghanistan and expand economic growth, including by bilateral trade and investment where possible.

The State Department also sought funds to enhance regional co-operation, especially trade between Afghanistan and Pakistan, and to strengthen military and training programmes in South and Central Asia.

Apart from the above factors, US support is essential for Pakistan to be removed from the grey list of the Financial Action Task Force. This is a major impediment to Pakistan's participation in global financial markets.

Possibility of Regional Co-Operation in South Asia and the Role of External Players

The references to better relationships within South Asia and greater connectivity clearly hinted at conveying the point that Pakistan is willing to improve ties with India, provided that the US persuades India to discuss various issues with Pakistan. It is believed, that the US, along with the United Arab Emirates, played an important role in the February 2021 ceasefire between India and Pakistan. After the ceasefire, there were hopes of a resumption of trade between India and Pakistan after bilateral trade was halted in 2019 after the Modi Government revoked Article 370 of India's Constitution, which accorded the Indian state of Jammu and Kashmir special status. There was, at the time, a growing demand for cotton to be imported from India and [Pakistan's Economic Co-ordination Committee](#), chaired by its Finance Minister, Hammad Azhar, gave its approval for the resumption of cotton and sugar imports from India.

Days later, due to pressure from voices from within the government, at a meeting of the Pakistani Cabinet, the Imran Khan government reversed the decision to allow the import of sugar and cotton. While the reversal of the decision was attributed to the fact that a number

of Ministers opposed the decision, it has been argued that there was pressure from within sections of the security establishment, especially the army who were also not on the same page. As noted earlier, Pakistan's Army Chief, Qamar Javed Bajwa, also spoke in favour of improving ties with India in recent months, and the need to move beyond a zero-sum approach. That is, of course, easier said than done.

It remains to be seen if, after the pandemic, New Delhi and Islamabad actually resume trade and communication links and what role external players will play in the move towards normalising relations between the two countries.

A Shifting Geopolitical Landscape

In conclusion, South Asia's geopolitical landscape has witnessed a significant shift over the past two decades, though the changes have been more pronounced in the last one. A major change in the past few years has been the downward trajectory of the Pakistan-US relationship and Islamabad's further strengthening of its ties to Beijing, especially since the CPEC project began. For Islamabad, striking a balance between its relationships with the US and China has become more difficult in the wake of the downward spiral in the Beijing-Washington relationship. The US-Pakistan relationship will thus depend a lot upon Beijing-Washington ties. While Pakistan's emphasis on regional co-operation is welcome, it remains to be seen if various security organisations that have not given up on their zero-sum approach will allow genuine progress in the normalisation of ties. Similarly, on the Indian side, it will not be easy to turn around the ultra-nationalist narrative that has built up in regard to Pakistan in recent years. That narrative, too, hinders further progress. Hopefully, in a post-Covid-19 world, both countries will realise the importance of a harmonious relationship and other countries, like the US, will play a positive role in encouraging robust economic linkages and co-operation.

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