

US –CHINA RIVALRY: POLITICAL, ECONOMIC AND SECURITY CHALLENGES FOR PAKISTAN

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Political Science, Bs Political Science

DOI: <https://doi.org/10.5281/zenodo.21028855>

Keywords

Article History

Received: 25 April 2026

Accepted: 08 June 2026

Published: 21 June 2026

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Abstract

This research examines the multifaceted political, economic, and security challenges confronting Pakistan as a result of the escalating rivalry between the United States and China in the twenty-first century. As two global superpowers compete for dominance across geopolitical, technological, and economic domains, their strategic competition has profound implications for countries like Pakistan, which occupies a uniquely significant geostrategic position in South Asia. The study aims to examine how this rivalry shapes Pakistan's political landscape and foreign policy decision-making, analyze its economic consequences on stability and sustainability, evaluate its influence on regional security and defense posture, and identify strategic policy frameworks that enable Pakistan to balance relations with both powers without compromising national interests. Employing a quantitative methodological approach, the research analyzes secondary data including trade volumes, foreign direct investment patterns, military assistance records, policy statements, and official reports from 2001 to 2025. The findings reveal that Pakistan faces immense pressure to align with either Washington or Beijing, challenging its traditional policy of non-alignment. Politically, Islamabad navigates strained US relations post-Afghanistan withdrawal while deepening ties with China through the China-Pakistan Economic Corridor (CPEC). Economically, Pakistan confronts debt sustainability concerns exceeding \$130 billion, significant trade imbalances with China (exports of \$2.1 billion versus imports of \$15.6 billion), US sanctions on Pakistani entities, and 19 percent tariffs on exports to the American market. Security-wise, the rivalry complicates counterterrorism cooperation, creates dilemmas between US demands regarding militancy and Chinese priorities for CPEC protection, and exacerbates regional tensions through growing US-India defense ties. The research concludes that Pakistan's economic dependency on Chinese investment, combined with US economic restrictions and technological transfer limitations, creates significant vulnerabilities requiring a comprehensive balancing strategy to safeguard national sovereignty and sustainable development.

1.1 INTRODUCTION

The twenty first century is evident by the escalating rivalry between Washington and Beijing .Two global superpower are competing in geopolitical , technological , economic and security-wise domains . The rivalry often leads „ new cold war ” by creating ideological clashes, technological competition, trade war and political

and economic dominance in Indo pacific, their rivalry has a wide influence on world order , creating a complex challenges and opportunities for many countries.

In this power struggle game, weak economies specifically important regions like South Asia often faces vital challenges by maintaining balance ties with both USA and China. Pakistan

a strategically important country with a unique geopolitical and geostrategic position is facing a far-reaching consequences in the US-China rivalry, which impacting its political landscape, domestic economic stability, social life and national security calculus due to economic dependency, geostrategic location and security dilemmas in a manner of complexity. The rivalry has a serious consequences and challenges on Pakistan's political, economic and security-wise domains. Islamabad is a key security partner of Washington during cold war against Soviet Union and 9/11 in counter terrorism [WAR and TERROR] but, the Washington withdrawal from Afghanistan in 2021 and its growing struggle to counter China's influence in the region led to a strained relation with Pakistan. In a meantime, china deepen close ties with Pakistan by investing in China-Pakistan economic corridor[CPEC] diplomatic backing, technology sharing and militarily cooperation has been reshaping Pakistan's foreign policy priorities , billions of dollars project " BELD and ROAD INITIATIVES " in which CPEC is the main project has been creating an economic opportunity for Pakistan but also raising concerns for Pakistan in its security, economic development, sovereignty and trade. (Haqqani, 2005).

Pakistan is facing an immense pressure to alien either with Washington or Beijing, concerning its traditional policy of non-alignment with either side. US always criticizes Pakistan for its mounting relationship with china particularly on china-

Pakistan economic corridor [CPEC], militarily cooperation, diplomatic backing on Kashmir issue and security cooperation. Additionally, Pakistan's role in Shanghai cooperation organization [SCO] versus American grouping particularly QUARD further intensify challenges for Pakistan and complicate its diplomatic balancing act.

Pakistan's economy is closely linked with china, with CPEC initiative largely dominating infrastructure development. However, this is leading debt unsustainability [30 billion dollars], American sanctions on economy, trade imbalance where Pakistan exporting [2.5 billion

dollars] remains low and import [15.6 billion dollars] and international monetary fund [IMF] concerning Pakistan regarding over-dependence on china financial loans. (fund i. m., 2023) . Moreover, US remains the largest partner of Pakistan's export market but trade preferences [GSP+] is in trouble due to Pakistan economic dependency on Chinese's market and economy. US-China rivalry has an over lasting impacts on Pakistan's economy , facing decline foreign direct investment [FDI] from US and European Union due to security risk, corruption and china's dominance. Moreover, in the recent step taken by Washington to impose sanctions on China's tech firms which directly impact Pakistan's digital modernization. Similarly, 19 percent tariff on Pakistan export to US, has a significant impact on the relationship between both countries, this initiates taken by US would affect industrial and agricultural growth of Pakistan. Consequently, this may lead job losses, poverty, inflation, unemployment and declining economic growth. To mitigate these challenges, Pakistan is supposed to enhance its economic ties with US and focusing its domestic markets.

US-China rivalry has impacted Pakistan's security aspect, which strained Pakistan-US counterterrorism cooperation. When US withdrawal from Afghanistan led to weaken counterterrorism efforts due to US blames on Pakistan for Taliban's resurgence. Leading intensify security threats for Pakistan when Tehreek-i-Taliban has integrated under Taliban rule, launching attacks to destabilize Pakistan. Additionally, china's expending military footprint in Gawadar rises concerns for US - India , Pakistan's deepening defense ties particularly JF17Thunder, cyber warfare cooperation and missiles or warships support from china has been opening another door for US sanctions on Pakistan. Resulting the US might restrict F16 up gradation if Pakistan remains closed with china. The US-India defense ties increases tension for Pakistan where India gets military edge over Pakistan along with US diplomatic support to India enhances Pakistan's isolation. Realistically, any US-China clash will largely spill over Pakistan -India conflicts. Pakistan counterterrorism action is

limited between US and china demands where US priorities counterterrorism actions against Haqqani network and militancy while China priorities CPEC protection from Baloch liberation Army [BLA]. Such conditions do not allow Pakistan to take action against militancy in order to ensure its national security and protection. (Siddiq, 2023)

1.2 Background of US-China Rivalry

To comprehend the current dynamics, this is important to briefly look out the historical background of the US-China rivalry. Their history is marked by escalating conflict, ideological differences, militarily modernization, technological innovation, space race, geopolitical and geo-economics dominance, artificial intelligence race and trade competition. Initially, US refused to recognize china after its independence due to communist ideology but, reciprocally, maintained strong ties with Taiwan, this period was marked by the ideological differences between US and people's republic of china. After that, the history took another shift when president Richard Nixon's visited to china in 1972, both found a common ground against soviet union to counter its influence. This was the period of rapprochement driven by a common interest. The Washington officially established a diplomatic ties with china in 1979, it was seen by the US that the integration of china with a global economy shall become the political and financial enhancement. (Stimson, 2020)

After that, The history of US China rivalry took another shift, marked by a sense of political, economic and security-wise competition, economic engagement of china with US led china becoming more democratic and open society, under the communist party china got economic consolidation which has become a serious concern for US because of the rapid growth of Chinese economy. This turned their relations to open political, economic, technological and military rivalry. The economic dispute has openly started in the trump administration in 2018, where sanctions have been imposed on Chinese companies and trade. Technological competition between US - China

is the central theme of their rivalry, both have been seeking to have technological edge on globe in areas, such as semiconductor manufacturing, five G

[5G] and Artificial intelligence. On this regard US uses economic and export sanctions to limit china's growing technological advancement. Furthermore, Geopolitical and military rivalry is the other tensions, rising of china power in the Indo-pacific region has led to increased concern for US. In addition, the Taiwan conflict and South China Sea issue re the other areas of contention between both powers.

Pakistan has a historical ties with both US and China for decades. Where it has often found itself at the juncture of great powers competition, leading a complex challenges for Pakistan's political, economic and security domains. US-China rivalry has created challenges and opportunities for Pakistan. On this regard, china has always helped Pakistan to counter India influence by providing military assistance, diplomatic support over Kashmir issue and economic backing while US has also support Pakistan in counterterrorism by providing economic aids, besides with opportunities, a complex challenges have been facing Pakistan when it becomes interdependent on china's military and economic supports, leading it to impose sanctions by US on Pakistan. Therefore, Pakistan must align its policy in balancing act and should maintain strong relationship with both US and China.

1.3 Statement of Problem

The researchers examine to find out the US-China rivalry and its impacts on Pakistan's political, economic and security dilemmas, which threaten its national security, policy development, economic sustainability and social rest. As Pakistan has always been seeking to maintain balance relationship with both US and China but faces difficult choice to either select one, leading it to impact its sovereignty, economic growth, political consolidation, national security, and regional stability.

1.4 Significance

The finding from this study will provide

comprehensive and categorical data to students and policy makers regarding the US-China rivalry political, economic and security challenges for Pakistan. This research provides policymakers and experts a useful information regarding great game that how US china rivalry impacts Pakistan's political, economic and security dilemmas. As a historical south Asian country, Pakistan finds itself between china economic cooperation projects particularly china Pakistan economic corridor CPEC, often leading transactional relationship with US which remains Pakistan security partner and large export market. Chinese economic initiatives become risk for Pakistan sovereignty and economic consolidation. While US growing alignment with India threaten Pakistan's economic development, military advancements and political recovery. the research points out to the students and researchers that how great game effects Pakistan political landscape, Economically, it highlights that how Pakistan is economically isolating in global market by US restrictions to have mounting economic ties with china, this is having Pakistan economically vulnerable such as reliance on china BRI, Debt trap and trade sanctions. Security-wise Pakistan faces immense pressure from both US and China where maintaining close military ties with china to counter India by purchasing jets, missiles, arms and submarines while facing pressure from US by managing regional stability in Afghanistan and counterterrorism. Moreover, an expected outcomes can be achieved by the researchers and students with a clear comprehending that how the US-China rivalry shapes Pakistan's political choices and national security. It will provide a thorough understanding that how great game impact Pakistan economic health and highlights potential effective strategic responses and policy recommendation for Pakistan to maintain balance relationships with both US and China.

1.5 Research Objectives.

1.To examine the impact of US-China rivalry on Pakistan's political landscape and it's expected outcomes on foreign policy decision making

process.

2.To analyze the economic competition between US and China and its expected consequences on Pakistan's economic stability and sustainability.

3.To evaluates the ways in which US-China strategic security competition influence Pakistan's regional security and defense posture.

1.6 Research Questions

1.How does the US-China rivalry shape Pakistan's political landscape, and what are the amplifications for its foreign policy?

2.What are the impacts of US-China rivalry on Pakistan's economic and security development?

3.How can Pakistan develop a policy to align its relationship with both US and China while safeguarding its own national interests?

1.7 Methodology

The research adopts qualitative secondary method. This method can be used to comprehensively analyze the political, economic and security challenges posed by US-China rivalry for Pakistan. Quantitative method is significantly important to easily understand the political and security-wise aspect in the research, this includes case study of balancing act between two powers, examine policies, statements, reports and speeches from US, China and Pakistan leaders can be analyzed, comparative analysis would provide a thorough understanding on decision making process. The Quantitative method of research is essential for analyzing the economic health of a country, which further includes to collect and analyze secondary data on economic aspect. You can examine trade volume between Pakistan and both United States and china by statistically analyzed. Knowing about FDI and military assistance in a particular period of time. Therefore, the quantitative method of research would profoundly cover all dimensions about the US-China rivalry: political, economic and security challenges for Pakistan. The overall research design may be descriptive and analytical in nature.

S. No	Respondent	Workplace	Number	Location
1	University professors	Area study center, international relation and political science.	8	University of Peshawar
2	Diplomats from both US and CHINA	Representing countries as a diplomats	8	US and CHIMNA embassy Islamabad
3	Professors and researcher	NGOs , policy making process and academic studies	8	Research centers and NGOs offices.

1.8 **Convenient Sampling**

The convenient sampling can be used to conduct interviews and collect data regarding US-China rivalry and its political, economic and security-wise amplifications for Pakistan. The research will involve a tentative respondent having expertise in the study of international relation and geostrategic affairs of US and China.

1.9 **Limitation**

The research is limited on the political, economic and security amplification on Pakistan by the US-China rivalry, and only covers US-China intensifying competition on different field such as political landscape , economic health, security-wise domain and, technological innovation, space war and Artificial intelligence along with their impacts on Pakistan political, economic and security aspects.

LITERATURE REVIEW

2.1 **Theoretical framework**

The dynamics of the world have been changed by the US-China rivalry which shows how the economies are working, political strategies are being taken and security networks are making. To analyze the US-China intensifying competition and its possible amplifications on Pakistan’s political, economic and security domains. This has highly become important to demonstrate the theories of the international relation [realism and liberalism]. These theories can examine that how the great game competition shapes political, economic and

security-wise aspect in Pakistan by providing a contrast and complimentary perspectives. When it comes to realistic perspectives, it mainly focuses power politics and strategic balancing, and its core assumptions are; state is the main actor in the international affairs, state always priorities security and power, the international system is always anarchic according to the realistic perspective. When it comes to liberalism, it deals with economic cooperation, intuitions strengthening and interdependency. The core assumptions of liberalism are; role of the Non- state actors [NGOs, IOs, etc.], democratic consolidation to minimize conflicts and maximize peace and international institutions to cooperate societies. (Weinbaum, 2020)

Realism

analyzes the applications of US-China rivalry on Pakistan, politically, Pakistan is been facing a political challenges by Great game competition. Mearcheimer explains the offensive realism that how US is seeking to curtail china’s growing influences in the world by taking initiates with the indo pacific alliances japan, India and Australia. On the other side, defensive realism explained by Waltz, Pakistan takes hedging policy to maintain balance relations with both powers in order to avoid dependence on either side. China, which is an economic partner and strategic ally of Pakistan, diplomatic support on different dimensions such as Kashmir and a military cooperation, with him Pakistan has been

everlasting relationship and cooperation for decades in many aspects. While US a long standing strategic partner in counterterrorism efforts and trade with have a sound relationship of Pakistan, however, strategic relation between both US and Pakistan has declined due to Pakistan growing tilt towards China and Washington alignment with India. (FATF, 2025) Economically, US-China completion has a serious consequences on Pakistan economic growth. As Gilpin says in the economic realism theory that economy is often shaped by power competition. On this regard, china creates an economic leverage by investing in CPEC, leading Debt and economic dependency which ultimately make Pakistan economically vulnerable while US sanctions [FATF gray listing , tariffs] by maintaining close ties with china remains a concern for the economic growth of Pakistan. Moreover, trade restrictions and heavy duties on Pakistan's exports push it towards China. Therefore, Islamabad needs to navigate its relation with both powers by taking balance act with Chinese infrastructure investments and with US economic [export] and strategic partnership. (Siddiqui, 2017)

Pakistan faces security challenges by US -China rivalry, primarily, Pakistan considers India a major threat backed by US. Which pushes Pakistan towards china. Where china does not only provide a military support [JF17 Jets, Naval vessels and other advance technology] but also shields Pakistan in a diplomatic way [UNSC] while US policies to align with India is another threat for Pakistan after US withdrawal from Afghanistan, US India defense deals [f16 Jets, missiles] and their cooperation through alliances [QUARD] making Pakistan to deepen its diplomatic, economic and security ties with china. On the other hand US- China rivalry opens a new ground of challenges, where Pakistan is heavily rely on china's nuclear technology while America wants Pakistan to sign Non- proliferation treaty. (Nawaz, 2020)

Conversely, **liberalism** deals with the role of international organization to mitigate conflict and potential cooperation to deals challenges. Liberalism theory highlights the economic interdependence, particularly through diplomatic

cooperation and economic projects like CPEC to ensure stability and prosperity. According to liberalistic perspective which always deals with economic interdependence , international cooperation and democratic peace, the application of US-China rivalry can be understood that how its amplification driven Pakistan policy. Politically, Pakistan faces challenges from both US and China, but Pakistan has leverage on multilateral forums [SCO, UN, OIC, and SAARCH] to deals with challenges and tensions. Similarly, china is using BRI diplomacy to gain political influence on Pakistan while US pressurize Pakistan to enhance transparency in its governance and reforms for human rights. Both are using their soft power [culture, education, and media partnership, scholarships] to gain political influence over Pakistan. (Hassan, 2025)

Economic challenge has the significant consequences on Pakistan's economic posture and infrastructure health posed by US-China rivalry. US- Pakistan trade particular textile exports hits 5billion dollars annually which has created a leverage for Pakistan economy, while china exports to Pakistan is approximate reached at 15.6 million dollars but import from Pakistan faces immense shrink [2.5 billion dollars], creating debt risks and economic dependency on china. (Minister, 2020)

Both US and China has invested in Pakistan on different field such as environmental aspect, renewable energy, security dimension, In counterterrorism efforts Pakistan-US collectively cooperate to counter militancy in the region particular in Pakistan. In addition to this, Washington seeks to push indo- Pakistan dialogue in order to mitigate tensions in the region while china cooperates with Pakistan on energy sector, infrastructure and joint intelligent sharing to get economic and security strength.

2.2 Historical Evolution of US china rivalry

To comprehend the current dynamics, this is important to briefly look out the historical background of the US-China rivalry. Their history is marked by escalating conflict, ideological differences, militarily modernization,

technological innovation, space race, geopolitical and geo-economics dominance, artificial intelligence race and trade competition. Initially, US refused to recognize china after its independence due to communist ideology but, reciprocally, maintained strong ties with Taiwan, this period was marked by the ideological differences between US and People's Republic of china. After that, the history took another shift when President Richard Nixon's visited to china in 1972, both found a common ground against Soviet Union to counter its influence. This was the period of rapprochement driven by a common interest. The Washington officially established a diplomatic ties with china in 1979, it was seen by the US that the integration of china with a global economy shall become the political and financial enhancement.

The history of US China rivalry took another shift, marked by a sense of political, economic and security-wise competition, economic engagement of china with US led china becoming more democratic and open society, under the communist party china got economic consolidation which has become a serious concern for US because of the rapid growth of Chinese economy, this turned their cooperation relation to open political, economic, technological and military rivalry. The economic dispute has openly started in the trump administration in 2018, where sanctions have been imposed on Chinese companies and trade .technological competition between US - China is the central theme of their rivalry, both are seeking to have technological dominance on globe in areas , such as semiconductor manufacturing, five G[5G] and Artificial intelligence .on this regard US uses economic and export sanctions to limit china's growing technological advancement .Geopolitical and military rivalry is the other tension , rising of china power in in the indo-pacific region have led to increased concern for US, the Taiwan conflict and south china sea issue is the other area of contention between both power.

The historical evolution of US-China rivalry has marked by competition in different field which effects on the current political, economic and

security dimensions of Pakistan. As Pakistan needs to navigate the geopolitical landscape by maintaining balance relation with both Washington and Beijing while safeguarding its sovereignty, enhancing economic growth and ensuring national security.

2.3 Geopolitical and Geostrategic rivalry between US and China.

The US- China geopolitical and geostrategic rivalry reshaped global balance by territorial influence, institutional alignment and financial alliances, military deployment, controlling trade routes and political influence on smaller states. The geopolitical rivalry started from 19 century, where both US and China aimed to control over strategic important region like indo-pacific, Sought Asia, Africa, central Asia and middle East. now, China wants to strategically get control on such region through BRI and CPEC by building ports and economic hubs while America wants to get control over these significant strategic areas through establishing military bases and strengthening alliances like QUARD, AULKUS, NATO, etc. economically, both countries aiming to get economic edge on globe by increasing their trade [semiconductor chips, AI, technology, defense trade]. Moreover, both countries using tactics to denaturalize each other by using institutional warfare and proxies. For instance, in Ukraine war, where US is backing Ukraine by providing diplomatic and military support while china helps Russia by openly trading with it. Therefore, in the geopolitical competition both countries compete by using standard bodies [SCO, QUARD]. (Anonymous, 2024)

The geostrategic competition between two great rival disturb the globe peace, this includes military deploying, trade control and using hedging states to fulfill their aims. Great power are engaging in the indo-pacific region where US wants to support Taiwan and Japan against china and neglecting china claims over south china sea while china continuously militarize disputed island to minimize US and their ally influence in the south china sea. Economically, both powers aiming to have trade dominance and resource control on this Africa has become a

battle field where both are competition there on rare earth metals such as cobalt, gold, copper, lithium, uranium, etc. moreover, hedging states are using against one another by investing there or creating a contentious environment. (Ali S. M., 2020)

2.4 Previous studies on US-China rivalry and Pakistan's role.

The intensifying rivalry between the United States of America and China has emerged from mid twentieth century which has everlasting consequences on the third-party countries particularly on their foreign policy, economic growth and national security. Pakistan is also one of them facing profound challenges on its political, economic and security dimensions. This literature review highlights the existing data written by scholars and researchers regarding the US- China rivalry and its profound amplifications on Pakistan's political, economic and security dimensions. While also demonstrate Pakistan's role to mitigate their influence and maintain balance relation without compromising on its economic growth and national security.

2.4.1 The political balancing Act

Several studies highlights US- China rivalry and its consequences on Pakistan structure. Muhammad Ali [2020] notes that great powers geopolitically hijack global politics, where both US and China competing in different field such as diplomatic dimension, economic and trade , technological innovation, 5g, AI, semiconductor chips], space war, military advancement and so on. He further said that US has always used hedging states , institutional warfare, diplomatic alliances with major countries [India , Taiwan, Japan, South Korea] and regional organization QUARD, NATO against China growing geopolitical influence particularly in Global South, in addition, he said that china has been taking the same tactics to counter US geopolitical and geostrategic influence on both global north and south through economic projects such as BRI, CPEC and investing in African and Asian countries [Pakistan, Bangladesh and Afghanistan]. Historically, Pakistan is the major strategic ally with US in cold war to counter

soviet hegemony and after 9/11 where both US and

Pakistan has jointly countered militancy and terrorism in the region. Muhammad Ali said that despite such glittering relationship and historical cooperation, Pakistan has a major concerns by US strong engagement with India in different field to counter balance china influence while Pakistan itself has been developed close ties with china in diplomatic, economic, technology and security dimensions. Such conditions have created a complex situation for Pakistan to align with either side. Several studies highlight Islamabad historical role as a key bridge between Washington and Beijing particular at the Nixon rapprochement era. Many researchers and policy experts from Pakistan suggest that Pakistan can ensure its interest to maintain balance relationship with both countries and become a neutral actor to help melting tension between Washington and Beijing. On the other hand, former prime minister of Pakistan Imran khan once said that Pakistan can only achieve national interests by maintaining balancing approach between both powers. (Ali S. M., 2020)

The Wilson center's research examines that Pakistan is going to closer more with china because of its economic health Afghanistan-related tensions and growing US tilts toward India by supporting her against Pakistan and china in the region. In recently, Pakistan highlighted to maintain sound relationships with both great powers, this act becomes more complex as Washington- Beijing rivalry intensify. Scholars like Ahmad (2018) in „Friends and Rivals“ in which he discusses the long standing strategic alliance of Pakistan with US, giving a leverage in diplomatic and counter terrorism aspects while china diplomatic shielding for Pakistan in united Nation security council over Kashmir issue and national security . At the recent conflict, between Pakistan-India, Beijing has openly supported Pakistan's sovereignty against India and provider diplomatic support. Researchers like khan and Li, indicate in 2021 at The Eastern Embrace, china political support has offered Pakistan an alternative partnership, particular through initiatives like joint military cooperation, technological innovation, economic

collaboration CPEC and security-wise dilemma. (Khan, 2018)

2.4.2 The Economic Aspect

The economic rivalry between two great powers has started from twentieth century, their rivalry has not only impacted on their economies but also has dropped

immense pressure on global south and developing countries. Pakistan is also one of them who has largely suffered in the economic competition of great powers. A researchers indicate Pakistan's economic position largely center on the china-Pakistan economic corridor CPEC 62 billion dollars BRI project. Experts highlight how Pakistan economy depends on china due to a significant reliance on CPEC, as Prime Minister Iran khan said that Pakistan economic health can only be ensured if CPEC successfully completes without any hurdle and difficulty. He further explained, CPEC is the pilot project of BRI which can help Pakistan to break economic isolation and strengthens its financial growth. Analyst point out that despite all this leverage Pakistan has been facing high pressure from the US alignment with India, providing diplomatic, economic and security-wise support against Pakistan and china.

(Ali's, 2020) in his research suggests that Islamabad- Beijing growing relationship in many field is creating opportunities and challenges for Pakistan. Its economic dependency on china via CPEC creates hurdle to maintain balance ties with Washington and international financial institutions World Bank, IMF, Asian bank. This is making Pakistan economically vulnerable and isolated in the international economic platforms, including the economic trust, foreign direct investment and trade sustainability have been decreasing, leading it to push Pakistan in FATF gray list which rises further economic challenges and hurdle. (., 2022)

The study by Sushant Sareen highlights the china- Pakistan economic dimension and its amplification on US, he said that china is Pakistan largest trading partner with control Pakistan 30 percent global trading despite this Pakistan export to china is still limited 2.4 billion dollars in 2024 and import is the highest in

figure [15.6 billion dollars in 2024], this is sparking challenges for Pakistan industrial growth, economic sustainability and trade balance. He further indicates Pakistan debt and financial dependence, Pakistan debt has risen to china estimated 90 billion dollars over 30 years to china for the flag point CPEC project, this has risen significant challenges for Pakistan economic growth. Pakistan over dependency on china markets making it isolated from international markets and paving a path for India to strengthen her ties with European nation and America.

Recently, Pakistan has been imposed 19 percent tariffs by US, which was previously 29 percent, after Pakistan India- Pakistan clashes over Pahalgama attack in Kashmir

where Pakistan has been blamed for sponsoring terrorism and to have strong ties with militancy, on this India has deplorably attack on Pakistan at the middle of night aiming to denaturalize Pakistan defensive capability. But despite all these efforts Pakistan has successfully won the match. After that India becomes completely isolates in the international community, even its strong partner US has also limited sits relation with India by imposing 25 percent tariffs and lately 50 percent. Researchers analyze that Pakistan should not put all its eggs in the china's basket but also maintain ties with Washington, several studies highlights Pakistan shifted policy towards both Washington and Beijing aiming to equal maintain relations without compromising on its national interests.

2.4.3 Pakistan security Dimension.

In the context of Pakistan security and stability, various scholars and researchers have dropped their thoughts and highlighted factors contributing the security dilemmas of Pakistan. Pakistan security has some linkage with the New Delhi- Washington collaboration, leading to rise challenges and complexity for Pakistan. Marks a renewable scholars says that India close ties with US is seeking strategic dominance on South Asia which disturbs regional peace and compromises its security. AS Fani indicates, the transfer of advance military equipment and strategic support to India by US open new door for contention in the region particularly for Pakistan and china

while US pressurize Pakistan to have same tilt towards US and make similar choices. Reportedly, in the recent conflict where Pakistan and India fought a war, India was backed by US while china supports military and diplomatically Pakistan against India to curtail India's hegemony.

The intensifying rivalry between US-China has emerged from twentieth century, having significant amplification on regional security and peace, the historical triangular ties among US, China and Pakistan have deeply amplified Pakistan security. In the cold war era when Pakistan helped US and China against soviet hegemony, that mad Pakistan as a bridge between US and China. The post 9/11 Pakistan become a front line partner to US against terrorism in the war and terror period, despite receiving financial and military aids from US. However, US focused has shifted after when Pakistan strengthen its ties with china particularly through CPEC a flashpoint project of BRI, leading an immense security challenges for Pakistan and become a battleground for great powers competition. Scholars and researchers evaluate Pakistan security dependency on china's military hardware and US sanctions on Pakistan missiles industries. Historically, Pakistan has depended on US military hardware in war and terror era by receiving missiles, weapons and jets ,but the shift has been changed in to 180 degree when Pakistan strengthened its with china and collectively work on security aspect by making F17 thunder, sharing intelligence and joint military drills. This shift has further become stronger on May 2025 in the India-Pakistan conflict, where Pakistan became the first testing ground for chines military hardware against western military hardware. Additionally, key hardwires such as J-10, PL-15Air to air missile and JF17 Thunder were included.

The nuclear dimension puts another layer of challenges to Pakistan, previous studies highlight, how Pakistan was supported in nuclear program by china by providing hard-wares and technology transfer during 1980s. Aiming to balance power against India in the Sought region. While India was supported by US to counter balance china growing influence in the region. The Hudson

institute's 2025 report that the US focusing to prevent nuclear proliferation and maintaining strategic stability in the region. It further highlights that preventing Pakistan nuclear proliferation is the first priority of United States. Which would be a concern to Pakistan for its national security and regional peace. As we have recently seen that how US imposed sanctions on Pakistan missiles factories by preventing them in making anti continental ballistic missiles.

When it comes to counterterrorism efforts, initially Pakistan provided its open support to America to counter insurgency particularly in soviet war in Afghanistan and after 9/11 incident. Their historical counter terrorism efforts including military-wise, diplomatic and intelligence support, such initiatives did not only bring opportunities for Pakistan to strengthen her relation with US but also brought security challenges specifically after US withdrawal from Afghanistan in 2021DOHA Agreement. Which opened new box of challenges for Pakistan national security where militant groups TTP, Haqqani network, ISIS- Khurassan and BLA found safe haven in Afghanistan to launch operation against Pakistan. Abdul Basit from Singapore observes that Baloch

liberation army are frequently attacks over security forces and Chinese workers which becoming a serious concern for Pakistan, leading it to disturb Foreign direct investment FDI, infrastructure development and CPEC. He further says that such incidents open a new door of cooperation for China and US to cooperative on counterterrorism through Pakistan. However, fundamental challenges still exists. The Washington has historically accused Pakistan to have logistic and military support with militant that targets Afghanistan and India while Pakistan has faced US drones attacks on northern areas of KP as a breach of national sovereignty, in a meantime, china always urges Pakistan for protecting its investment and personnel in Pakistan from BLA, TTP, ISIS-Khurassan, etc. (USIP, 2023).

On the other hand, the regional complexities often disturbs Pakistan national security, in South Asia Pakistan has a unique strategic location with significant importance for both

Washington and Beijing. Pakistan position in the region becomes more complex and complicates when the regional dynamics have to effectively consider. When it comes India a long standing US ally having collaboration for countering China influence through BRI and CPEC by sponsoring militant to denaturalize Chinese investment in Pakistan. At the other side, in Afghanistan both US and China want to invest heavily in rare earth metals, which is becoming a new front of contention and have direct impacts on Pakistan's economic and security health. (STUDIES, 2023) Despite having all these challenges, Pakistan wants to maintain balance relation with both great rivals. As Pakistan's foreign minister stated in 2025 that Pakistan's foreign policy is not a zero sum-game. We want to maintain friendly ties with Washington and Beijing without stocking in lock politics. This clarifies Pakistan's position to cooperative with a long standing friend US and China as an economic and strategic partner.

2.5 Gaps in the existing literature.

- At the economic section there is lack of information and analysis that how China Pakistan economic corridor impacts on Pakistan's financial health and economic sustainability.
- Inappropriate understanding on debt sustainability facing by Pakistan through CPEC, and lack of data on China's alternative economic partners.
- Inadequate data regarding China and US military hardware in Pakistan's operational context and weak assessment on China long term hardware maintenance.
- Lack of depth analysis over China and US military strength
- Minimum focus on civil-military cooperation in operations and lack of information on provincial level impact of geopolitical rivalry of US-China.
- Insufficient data on China role in Pakistan nuclear program and modernization along with lack of studies that how Pakistan's nuclear program has been affected by US-China rivalry.
- Neglecting policy framework for Pakistan to maintain balance relation with both powers

without compromising its national interests.

- Avoiding the emerging fields such as Artificial intelligence, cyber security, space modernization and technological innovation, all these important areas have been neglected in the previous literature studies. Along with providing insufficient data and statistics on other aspects
- Lack of theoretical information for Pakistan case that how great rivalry deals with Pakistan and what amplification disturbs its social life. Additionally, over-reliance on realism and unclear focus on constructivism and liberalism.
- Rare analysis on other US allies [Japan, South Korea, etc.] to counter China's economic investments through BRI.

POLITICAL CHALLENGES FOR PAKISTAN

3.1 Pakistan diplomatic balancing act between US-China

There is the mixed perception regarding foreign policy of Pakistan is whether align with either power. Some urge that Pakistan has to align with China because it has economic benefits while others believe that Pakistan should take a binary cold war-style because of its important in today's interconnected world. Pakistan officials have rejected such a binary position, as Riaz Muhammad Khan former secretary said that the world is not to be easily divided with a camp but it was possible at the era of cold war. Now it has changed and Pakistan should maintain a beneficial relation with both superpowers by focusing on its national interests rather than ideological aspect. Pakistan has a historical position to act as a bridge between US and China particularly at the Nixon era. Some analysts have views that Pakistan should maintain such a policy to act as a neutral actor by melting the hot spot between both Washington and Beijing. However, some domestic challenges in Pakistan complicate the balancing act, political disequilibrium and polarization paving ways for military to intervene into the political affairs by controlling its foreign policy and frequently changing the civilian setup. Such challenges do not allow Pakistan to carefully act as a neutral actor to maintain balancing act between US-China.

Pakistan finds itself as a bridge to mitigate the most significant complex geopolitical and

geostrategic rivalry between two great powers United States of America and China. Such balancing act brings both opportunities and challenges for Pakistan particularly to its economy and foreign policy and security in today's world where US-China are confronting on different front, Pakistan not align completely with either side but maintained balancing act between them. The main causes of this problem lie the fundamental complexity of Pakistan nature with either side, Pakistan strong ties with china through CPEC the flashpoint BRI project, and strategic and military partnership with US. Such relations have been more transactional, even though America remains the largest market for Pakistan export and a significant country by receiving military hardware for Pakistan. An analyst rightly notices that US and China are leveraging from their relationship with Islamabad to counter one another influence, both are trying to get strategic objects by becoming Pakistan as a frontline spot in the global context. However, this transforms Pakistan from the passive participant to an active one in the great powers rivalry. (Ministry, 2025)

In the current state of Pakistan between two rivals are balance despite of china huge investment in Pakistan's different fields such as economic growth, infrastructure [roads, ports, highways] and security. On the other hand US strategic military and economic relationship with Pakistan. Islamabad remains maintained balancing act between Washington and Beijing. China heavy investment with Pakistan through CPEC is fueling Pakistan's economy by constructing ports, power plants and highways. As former prime minister said that Pakistan economic and diplomatic strength lie with the intertwined relation with china. However, this ties often carries risks and challenges such as debt trap and low ratio of foreign direct investment which often become a concern for Pakistan where local communities view CPEC as economic trap and colonization. On the other hand, despite china investment, Pakistan is also linked with US market from Pakistan export [the largest export market for Pakistani goods 20 %] and international financial institutions [World Bank and IMF]. Recently, Pakistan has been

diplomatically maintaining sound relationship with US by decreasing US tariff on Pakistan and signing oil-development agreement. And, continuing her relation with china through CPEC, security cooperation and most importantly china's diplomatic backing to Pakistan on Kashmir issue, in addition, Islamabad strategy reflects in maintaining working relationship with Washington and Beijing without fully align with either. (Relations, 2022)

The military cooperation between Beijing and Islamabad remains sustained. Pakistan are importing its 80% of weaponry from china such as HQ9 missiles system, defense system, long range jets guided missiles, night vision and other important defense hardware and joint production on JF-17 Thunder. Along with joint anti-terrorism forces by protecting CPEC project. China also provides diplomatic help to Pakistan over crucial Kashmir issue in UN Security council and helping Pakistan escape the gray list of Financial Action Task Force FATF. This friendly cooperation makes Pakistan to strengthen ties with china. Meanwhile, US remains Pakistan strategic partner. Historically, both cooperated in counterterrorism against militancy by sharing intelligence information, providing diplomatic support and critical military aid. Therefore, Pakistan has been maintaining balancing act between two great rivals by acting as a neutral actor. Islamabad has the ability to melt hot spot between them and maintain this equilibrium without any impact on its political, economic and security dimensions. AS recently, unprecedented meeting held between Trump and Pakistan's army chief where they revitalized ties after years and strengthened economic, diplomatic and security aspect. Pakistan has always avoided by taking either side in the growing rivalry between US and China, for examples, Islamabad has not fully supported Washington led institution like QUAD, NATO, etc. Or not criticized China claimed on South China Sea and Taiwan. But has always maintained balanced relation between them. (unknown, 2024)

3.2 Effect on Pakistan Foreign Policy

Autonomy

The intensifying competition between US-China has created the complex challenges and brought a harsh environment for Pakistan's foreign policy autonomy. Pakistan foreign policy autonomy has been frequently shaped by both major powers Washington and Beijing in different dimensions such as diplomatic, economics, security and trade. Diplomatically, the competition between great powers reduces Pakistan's flexible position on the international platform/stage. Pakistan has taken a policy of neutrality to neither align with US nor China, but equally maintained a sound balancing act. When it comes to practical ground reality, maintaining such approach is difficult for Pakistan to accurately exercise its foreign policy without tilting toward each power on the issues of United Nations resolution, human rights, Ukraine war, Middle East tension, etc. Islamabad has been always pressurized by both Washington and Beijing to align with them. Pakistan is expected to align its foreign policy and decision making with international norms by United States while China wants Pakistan to have diplomatic backing on Xinjiang and Taiwan at the international stage, this means Pakistan foreign policy is often used by US and China to get their personal interest rather than proactive and fully independent. The impact on Pakistan foreign policy choices are shaped by the expectation of US and China at the international forum. On the other hand Pakistan foreign policy autonomy is impacted by the economic dependency, on this regard, Pakistan seeks to get support from external actors but both China and United States are exerting pressure and influence

through financial channels such as IMF and CPEC. On one side, Washington holds significant edge on international financial institutions such as World Bank and International Monetary Fund to influence Islamabad decision making, internal and external policy development, Pakistan has been repeating bailouts from the World Bank and IMF for decades which bring strict conditions like subsidy reduction, heavy tax collection and reforms, currency devaluation, etc. such conditionality reflects American and western preferences. This is

limiting Pakistan's choices to openly design its foreign and domestic policy making. On the other side, China has largely invested in Pakistan through CPEC project [A central flashpoint project of BRI and Pakistan's infrastructure and energy development] which makes Pakistan dependent on China economically, and reduces Pakistan's ability to rollout China demands. (IMF, 2024)

Security is the challenge for Pakistan by US-China rivalry which limits Pakistan autonomy to take decision and make foreign policy independent. China seeks to exert enough pressure on Pakistan to protect its investment and national interest in Pakistan. Particularly, at CPEC and Chinese personnel's protection at risky areas. Attacking on Chinese national, scientist and engineers have added fuel to the fire and directly exerted pressure on Pakistan to deploy Special Forces on the demands of China. Meanwhile, US seeks to maintain influence on Pakistan military setup through counterterrorism efforts, intelligence sharing, military training, and defense hardware. Additionally, US sanction on Pakistan's missile system [anti-continental ballistic missiles] and military hardware further complicates choices for Pakistan to openly make its foreign policy. This dual dependency weakens Pakistan's ability to maintain balancing act between both US and China therefore, such as economic, Diplomatic and security dimensions point out that US-China rivalry is significantly impacting on Pakistan foreign policy autonomy. This is not only representing a complex challenge for Pakistan foreign policy autonomy but a core problem for Pakistan's political choice in the area of great power rivalry. (PRESS, 2025)

The country foreign policy autonomy is heavily constrained by multiple levels such as economic front, security dependency, trade and diplomatic dimensions. Which make Pakistan depend on international financial institutions [World Bank, IMF] and financial action task force FATF. This places Pakistan foreign policy under American influence while Islamabad is also influenced by China economic investment through CPEC, which aligns Pakistan with China's demands to take a silent position on Xinjiang and Taiwan on the international forums. Both powers influence

Pakistan foreign policy autonomy by offering military hardware, counterterrorism efforts and joint intelligent sharing and military training, which make Pakistan to have security dependency on them and by shaping its foreign policy and internal decision making to fulfill their national interests. In a nutshell this rivalry does not allow Pakistan to fully align with each power, resulting the country foreign policy autonomy remains strained and vulnerable, and shaping by external rather than internal preferences.

3.3 Pressure from the United States [democracy, human rights and CPEC concern]

The United States of America has always been exerting pressure on three dimensions of Pakistan such as democracy, human rights and China Pakistan economic corridor CPEC by diplomatic strategy and international institutions. Aiming to influence Pakistan's foreign policy and decision making process. Historically, Pakistan's democratic process has been highly impacted and strained due to US influence and interference by making it more align with US interests. Similarly, human rights are the main significant area where Pakistan has been pressurized due to the violation of basic fundamental rights in democratic and decision making process, reducing rights/participation of marginalized groups and religious freedom. In addition, media restriction and adultery are also including in the list. On the other hand, growing ties with China through CPEC, placing Pakistan under US pressure, aiming to transform Pakistan economic growth political sustainability and Pakistan fiscal sovereignty. Analysts notice that CPEC is a main concern for US and India where both are seeking to de-neutralize China through pressurize Pakistan and disturbs CPEC infrastructure development. Additionally, curtailing China investment mainly BRI are the main priorities of Washington and New Delhi.

3.3.1 Democracy

Pakistan democratic process is highly vulnerable by frequent changes of civilian government, unpredictable military coups, lack of transparency and meritocracy, political polarization, nepotism and lack of political participation in democratic

process, decision making by marginalized group. The United States are exerting pressure to transform its democratic process and pave all doors for civilian governments. Reportedly, the US department of state, after general election in Pakistan in 2024, said that it has issued assessments [freedom of expression, freedom of association and peaceful assembly] for voting to take thorough action by investigating inequalities and irregularities in 2024 general election. US government and officials also criticized Pakistan by imposing restrictions on internet signals and mobile phone shutdown in Election Day, following the Amnesty international report that Pakistan such reckless action by attacking on people rights, violating freedom of assembly, expression and movement. These actions taken by Pakistan has not only limited access to veto and polling process but also weaken democratic process. Moreover, US policy maker's urged US to withhold democratic support for those who have weaken political and voting process in 2024. Further, US has a concern on Pakistan political process by withholding its support to Pakistan, and exerting pressure to scrutinize the previous general election.

3.3.2 Human rights

The US exerts pressure on Pakistan in term of human rights. The US state department and other concern institutions are annually reporting on human rights which is consistently violating in Pakistan. Including, extrajudicial killing, restriction on freedom of assembly, association, movement and expression, forced disappearances, religious intolerance, abuses of northern areas by military operation, sectarian violence, and lack of accessibility of education and force marriages. On August 2022, approximately 2,253 people have been disappeared in Baluchistan, thousands of innocent people have been killed and assassinated, in addition, journalists and media personals are harassing and kidnapping particularly on the reporting of sensitive areas. Since 1992 in Pakistan, thousands of journalist have been disappeared and assassinated according to the report of Committee to protect

journalist. Killing of Shia school teachers in Kurram in 2024, military operation operations on northern areas of KP are concerning US to exert high pressure on Pakistan for violating human rights. The united States of America has been imposing pressure and restriction on Pakistan through conditional zing economic aid [trump has recently cut \$1.3 billion due to human rights violation and counterterrorism concern], through international forums by placing Pakistan on FATF gray list for inadequate effort to control terror financing and imposing tariffs[19%] on Pakistan’s export to US. (PAKISTAN, 2023)

3.3.3 CPEC Concerning

US pressurizing Pakistan to have economic ties with china through CPEC investment, creating debt sustainability and economic dependency. A senior diplomat from US ages that CPEC is fueling corruption, increasing security tensions and debt burden in Pakistan. However, Islamabad and Beijing have openly rejected such claims. In addition, CPEC [\$62billion BRI project] is the major point of US concerns due to dept. diplomacy risks, technology scrutiny, debt sustainability, regional balance and strategic development. China growing investments by constructing Gawadar port and other project are fueling chines military on Indian Ocean, which has become a major challenge for India and Pakistan. On the other hand, American

dipomats and policy makers are concerning regarding CPEC impacts on Pakistan growing debt sustainability and lacking of its economic sovereignty in addition, CPEC is strengthening the link between Islamabad- Beijing to counter US hegemony and India influence on Indian Ocean. Due to all these, US exerts immense pressure on Pakistan to limit its ties with china by imposing tariffs , pressurize Pakistan through IMF strict condition for bailouts , promoting encouragement of India-middle East- Europe Economic Corridor IMEC against CPEC. And supporting India to counter balance Pakistan and china growing influence in the region, along with standing with India false narrative regarding Pakistan- sponsored militancy in Kashmir and India.

In a nutshell, US has exerted immense pressure on Pakistan due to democratic weakness, lack of human rights and growing CPEC. All these are the main concerning points for US, which pushing into US sanction such as trade restriction, economic tariffs, counterterrorism concerns, criticizing Pakistan on human right violation and lack of economic sovereignty. Cumulatively, United States pressure on such dimensions disturb Pakistan political dilemma. Following election-day inadequate transparency, media trolling and the illicitly use of military courts for civilian trials blocking foreign aid, international sovereignty and political participation. (Service, 2024)

3.3.4 Summary Table

Domain	USA Pressure	Impact on Pakistan And responses.
DEMOCRACY	Condemning democratic process, media trolling, election restriction, military courts trials for civilians and lack of political participation.	Weakens Pakistan’s political sovereignty, effecting diplomatic accountability and impact Pakistan-US ties.
HUMAN RIGHTS	Lack of fundamental rights [freedom of expression, movement and assembly] ,criticism of military operation and increasing ratio of kidnaping.	Weaken external and internal trust, brain drain and increase international backlash on Pakistan’s judicial process.

CPEC	Supporting India against china - Pakistan influence, encouraging IMEC and pressurizing through international financial institution.	Increasing security tension and economic vulnerability.
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3.4 China’s influence on Pakistan domestic politics.

China’s influence on Pakistanis domestic politics has shaped by strategic partnership between both Islamabad and Beijing, their strategic and economic partnership reshapes economic development, diplomatic strength, governance structures and social dynamics. The strategic relationship between both countries are significantly based at the framework of belt and road initiatives particularly china Pakistan economic corridor CPEC. While collectively working to counter their regional enemy [India]. China influence on Pakistan domestic politics brings both challenges and leverages, this section examines that how china’s influence on Pakistan domestic politics through strategic alignment, economic dependency, security ties and technological sharing. When it comes to CPEC, it is the most important factor shaping Pakistan’s domestic politics. The flashpoint belt and road initiatives BRI project in which CPEC is considered the „jewel of the crown“, launched in 2015 with approximately \$62 billion cost project. Initially considered as the game changer to transform Pakistan economy but added fuel to the fire and has made Pakistan’s domestic politics complex. The committee of joint cooperation chaired by Pakistan planning and development ministry with a joint cooperation of china’s national development and reforms commission has established a new institutional body aiming to work as parallel as traditional government channels, which has concentrated power in the hands of military establishment and federal government officials on economic and political decisions making. Additionally, the unappropriated distribution of CPEC project added more fuel to the fire, where huge share of development projects have been given by Sindh and Punjab while smaller province Baluchistan and KP have been ignored. Such action have exacerbated provincial- federal tension and opposition by the regional political parties with

federal government. This has brought mas protest and violent unrest in Baluchistan and KP (Cheema, & Azam, 2025).

Cheema, A. T., & Azam, Z. (2025). FEDERAL EMERGING AUTHORITIES IN PAKISTAN AND GRIEVANCES OF BALUCHISTAN. *Contemporary Journal of Social Science Review*, 3(1), 612-621.

Pakistan economic dependency on china is another front where china has significant influence on Pakistan domestic political landscape, Pakistan has immense economic crisis which makes it dependent on china economic support, bringing significant amplification on Pakistan’s political decision making. Pakistan is the largest bilateral lander to china with approximately Pakistan owes 30% of debt to china. This provides significant leverages to china over Pakistan domestic political landscape. During a crisis Pakistan received financial support from china which has drawn complex political condition. Policy makers and experts suggest that china has used its economic dominancy over Pakistan to draw political condition including revitalization of Chinese’s companies in Pakistan, regulatory oversight, ensuring chines personnel from militant or terrorism and providing smooth ground for china’s independent power plants IPPs in Pakistan, despite mass protest over hiking price of

electricity, unappropriated sharing in CPEC and mounting political inconsideration Pakistan economic vulnerability forced its leaders to prioritize Chinese interest. This economic dependency reshaping Pakistan political policy particularly economic budget. (INSTITUTE, 2023)

China has significant influence on Pakistan political landscape by providing security hardware, Islamabad has largely shifted its military dependency from Washington to Beijing which estimating 72% of total defense import

from china to Pakistan between the years 2017-2021. And 68% between the years 2024-2025. This transition has created security cooperation between both countries and also institutional strength to counter unhealthy situations. Similarly, in the recent conflict between Pakistan-India demonstrated military integration between both china and Pakistan. In which Pakistan has completely used china's manufactured J10 fighter jets, PL15 missiles and defense system. The performance of these system against western military hardware has further strengthened military integration between Pakistan and china. Moreover, china has also expanded its influence on Pakistan internal security particular Baloch insurgent attacks over Chinese personnel's and CPEC projects, pressurizing Pakistan government to allow Chinese physical military cooperation in military operations against such militants groups, TTP, BLA. Analysts indicate that china is seeking to establish a military presence in areas like Gawadar. Such developments would further weaken Pakistan's sovereignty and political independency (Basit, 2019).

Basit, S. H. (2019). Terrorizing the CPEC: Managing transnational militancy in China-Pakistan relations. *The Pacific Review*, 32(4), 694-724.

On the other hand provincial- federal tension is adding fuel to the fire by creating political problems for federal setup. China has different impact on provinces. In Baluchistan local communities protest against the exploitation of their rights from CPEC benefits. The slogan [HAQ DOO] is being used by them. Which staged prolong demanding to get access to clean water, jobs, fundamental rights, local autonomy and equal share in CPEC benefits. On this Pakistan military is handing heavy response on these protestors by the behest of china. Which further complicated the problem and creating separatist sentiments in Baluchistan. In Punjab, the disproportional distribution of CPEC benefits is open a new ground of challenges for other regions. This favoritism is increasing hate among political parties and becoming a factor of political polarization. Similarly, china has also influence in the electoral process in Pakistan by backing politician at the election time, as the

same time some politician criticize CPEC as a debt burden tool for Pakistan's economy. Such political polarization, instability, provincial-federal rivalry over specific dimensions, Baloch extremist and separatist narratives paving ways for china's influence on Pakistan's domestic politics. (Forum, 2020)

Lastly, china has deeply engaged its soft power in Pakistan through culture exchange program, media partnership, helping research institutions, academic scholarships, Chinese language institutions, proving digital support to Pakistan's media channels and helping think tank in Pakistan. Moreover, Chinese's funding to local media is also supporting Beijing narratives creating a sound environment for china to achieve enough support from local communities and marginalize groups in Pakistan. On the other hand, china's frequent funding to think tanks and research institutions produce narratives which have alignment with Beijing interest and priorities. This becomes difficult for Pakistani policy makers and analyst to demonstrate proper scrutiny on CPEC and human rights concern over Xingjian. All the above mention tactics used by china to have to enough influence on Pakistan's domestic politics and reshaping its political, economic and security-wise decisions making process (Bhatnagar, 2020).

Bhatnagar, S. (2020). *India's Pakistan policy: How think tanks are shaping foreign relations*. Routledge India.

3.5 Role of Regional Alliances [QUAD, SCO, BRICS and BRI]

The ongoing geopolitical competition between United States of America and China has intensively shaped Pakistan's political landscape and given significant challenges and opportunities for Pakistan. Pakistan a frontline country having unique geostrategic position in Sought Asia often faces complex challenges by regional alliances. Historically, British and Russian empires had confronted in Asia having significant amplification, after that the shift changed towards US- china competition on different dimensions where both countries seek to have geopolitical and geo-economics edge over one another particularly having influence on

indo-pacific, central Asia, Africa and Latin America. For Pakistan this great game competition has brought significant challenges on security, political and economic aspects. Moreover, US and China are seeking to get leverage through their regional alliances to maintain political, technological and military superiority. The alliances like Quadrilateral Security Dialogue QUAD, the BRICS Grouping [Brazil, Russia, India, China, and South Africa], the Shanghai Cooperation

Organization SCO and Belt and Road Initiatives BRI directly impact on Pakistan political landscape and foreign policy. These alliances provide a complex choices for Pakistan foreign policy to align either US or China (Abbasi, 2023).

Abbasi, R. (2023). Global power shift and foreign policy choices for Pakistan. *Strategic Studies*, 43(1), 1-21.



BRICS QUARD

SCOBRI



Source: Google

3.5.1 QUARD [an anti-china alliance]

The Quadrilateral Security Dialogue QUARD having countries like US, Australia, Japan, and India has been established by the United States of America aiming to counter china's growing influence on Indo-pacific, Asia and Arica. It has been formed after with response of Indian Ocean tsunami in 2007 by lately groping in 2017. The alliance aiming to counter china's strategic, economic and security expansionism. The QUARD operates as a partner to coordinate security issues, infrastructure development, maritime security and maintaining open indo-pacific, becoming a significant alliance to counter balance china. When it comes Pakistan, there is significant impacts of QUARD on Pakistan domestic political, security and foreign policy dimensions particularly through India because of its membership in QUARD. In addition, the presence of India as a member has significant amplifications and challenges on maritime security which ultimately threaten Pakistan security interests. On the other hand, US-India mounting strategic interest to counter balance both Pakistan and china, closing them to cooperate by defense agreement, intelligence sharing, diplomatic backing and economic support are further paving ways to get influence in the region. This disturbs the regional security

and creates confronting situation. This close partnership does not limit on military and economic support but also US are strongly backing and supporting India stance over Kashmir against Pakistan. Moreover, QUARD cooperation on maritime security in Indian Ocean directly threatens china- Pakistan economic cooperation particularly, CPEC [A game changer flashpoint BRI project]. Pakistan policy makers and experts have strongly criticized QUARD strategic policy to destabilize Pakistan economic growth and regional security. AS Pakistan former foreign minister says that QUARD cold war-style bloc political perspective and exclusive alliances disturbs regional peace and undermine peaceful settlement of regional dispute. Along with raising question on Pakistan's strategy for economic sustainability and growth in the context of CPEC and isolate Pakistan by expending its influence in south Asia. Therefore, QUARD can be only countered if Pakistan and china strengthen their strategic partnership, enhancing CPEC development and working over SCO [a counter balanced alliance against QUATRD] to enhance diplomatic engagement. Additionally, Pakistan should demonstrate QUARD negative amplification on Pakistan's political life and regional security in the international forums. (Ahmad, 2021)

3.5.2 Shanghai Cooperation Organization SCO

The Shanghai cooperation organization established in 2001 by China, Russia and Central Asian Republic aiming to emphasize counter terrorism, regional stability and economic connectivity, security cooperation and culture exchange among its member states, Pakistan and India have lately got membership in 2017. SCO has a strong framework of non-interference of domestic politics and affairs along with respecting sovereignty of other member states. SCO is the multidimensional platform where rivals such as Pakistan-India and China-India cooperative for the regional political, economic and security dimensions. For China, SCO is an opportunity to promote its influence, counter economic tensions, separatist movements in Yoghur and Xinjiang and promotes economic growth by BRI and CPEC in the region. When it comes to Russia, SCO is an instrument to maintain influence in the region and works on security issues. For Pakistan, SCO offers a platform where it interacts with China, Russia and Central Asian Republic, in addition, SCO also provides an opportunity for Pakistan in counterterrorism efforts, and addressing border terrorism. Furthermore, Pakistan can also diversify its foreign policy, maintaining its deepened relations with China, Russia and Central Asian Republic beyond its binary balancing act with US and China. This organization can also provide a platform for member states to address conflict particularly for Pakistan and India over Kashmir but due to bilateral tension it is still unrealized. On the other hand SCO is also offering significant challenges to Pakistan. Like strategic alignment with China and Russia brings immense pressure from the western side on Pakistan foreign policy, additionally, consensus based voting on issue creates a problem for Pakistan specifically on Kashmir conflict, Pakistan debt sustainability and economic dependency in China is linked with SCO, difficulties for Pakistan to maintain balance relation with both China and Western bloc, limiting economic and political influence on SCO as compared to India, and Pakistan growing ties with China and Russia for anti-western narrative is undermining Pakistan

relationship with US. All these challenges shrink Pakistan's domestic politics, foreign policy, security strength and economic sustainability (Hussain, Yousafzai, & Naseem, 2023).

Hussain, M., Yousafzai, A. U. R., & Naseem, F. (2023). Challenges and opportunities to the foreign policy of Pakistan in the contemporary era. *Annals of Human and Social Sciences*, 4(1), 56-65.

3.5.3 BRICS

The BRICS grouping [Brazil, Russia, India, China and South Africa] is an organization aiming to counter balanced western economic governance dominance on the globe particularly, western economic institution like IMF and World Bank. BRICS is the anti-western institutional designed by the emerging economies to counter dollar and western economic superiority. BRICS has established a new development bank to facilitate its member states in financial debt sustainability and infrastructure development. The BRICS is also serving as a political agenda to coordinate on global issues by its member states. For Pakistan, BRICS is an opportunity to strengthen ties with anti-western countries. Pakistani experts and policy makers aiming to get BRICS members to consolidate its economic development and foreign policy. Along with that, BRICS membership can provide leverage to [Pakistan to engage with major economies rather than to depend on western support. However, Pakistan faces complex challenges from India's continuous rejection of Pakistan membership in BRICS grouping. China is strongly supporting Pakistan to get BRICS membership but due to immense resistance from India and might other members do not pave ways for Pakistan engagement in BRICS grouping. Though, BRICS membership has indispensable opportunities for Pakistan but has also immense challenges to Pakistan, if Pakistan gets membership it will isolate Pakistan from western support particularly US. While China is a leading member of BRICS providing indirect benefits and representation to Pakistan but due to indirect approach to BRICS Pakistan's position in geopolitical and geo-economics dimension still weak. (Korybko, 2024)

3.5.4 Belt and Road Initiatives BRI

The belt and Road Initiatives BRI is the most important and significant china's economic and foreign policy project, aiming to get economic and political influence by connecting Asia, Africa and Europe through BRI massive projects such as infrastructure development, economic integration or sustainability and establishing special economic zones. The china Pakistan economic corridor [a front line project of BRI] with investment \$62 billion to establish special economic infrastructure, ports, economic zones and highways benefited by Pakistan. Through CPEC Pakistan can gain massive investment, connectivity with china and economic consolidation. CPEC is not an economic project but also gives geopolitical edge to Pakistan and china against its common rival India, moreover, it also provides an alternative way to china against a contiguous narrow strait of Malacca. BRI is a massive project to connect world in a common forum to get economic consolidation and integration. For Pakistan, BRI has both opportunities and challenges for Pakistan. When it comes to opportunities, Pakistan can get massive investment and

developing her economic health and making her economy more sustainable along with accessing other markets particularly, central Asian market, European and African through BELT and Road Initiatives and CPEC. While on the other hand there is a serious concern for Pakistan domestic political and economic landscapes. The implementation of CPEC has created many challenges which has fundamentally shaped Pakistan's foreign policy and domestic politics, moreover, it has also increased Pakistan external debt [\$30 billion] and economic dependency on china. It also increases loss of sovereignty. Furthermore, CPEC is creating US concern regarding Pakistan strong strategic ties with china and pushing Pakistan towards US sanctions, along with US strong alignment with India against Pakistan. American policy makers and experts deeply criticize BRI and CPEC project as potential threats for Pakistan economic (Khan, et, al.,2020).

Khan, Z., Changgang, G., Afzaal, M., Ahmad, R., & Aron Issack, S. (2020). Debunking criticism on the China-Pakistan economic corridor. *The Chinese Economy*, 53(6), 477-487.



3.5.5 TABLE OF CONTENT

ALLIANCES	LEADERS	OBJECTIVES	PAKISTAN POSITION	CHALLENGES FOR PAKISTAN
QUARD	America	Preventing china's influence, maritime security, disturbing BRI development	No membership	Strong India-US ties against Pakistan [CPEC] and security.
SCO	China+ Russia	Regional cooperation, security cooperation, economic integration and peaceful settlement of dispute	Membership, got in 2017	Inadequate conflict resolution on Kashmir issue
BRICS	china	Providing other ways for financing, curtailing western economic influence on global economy	No membership	Lack of opportunity for membership due to India opposition, indirect western influence through BRI

Sustainability and sovereignty, such initiatives determined US strategic and military cooperation with Pakistan over counterterrorism effort. On

the other dimension the project has also serious consequences on Pakistan's domestic political landscape where CPEC is exacerbating provincial-

federal tensions about its project distribution among provinces, leading to massive protest countrywide by local communities against inappropriate distribution of resources and CPEC projects. Additionally, security concern is on the other hand weaken Pakistan national security to protect Chinese personals against militancy TTP, BLA, etc. These challenges weaken Pakistan ability to maintain balanced relationships with both US and china, shrinking Pakistan foreign policy and create complexity to navigate US china tension. (SMALL, 2021)

ECONOMIC AND SECURITY CHALLENGES FOR PAKISTAN

4.1 Economic challenges for Pakistan

4.1.1 Pakistan Economic Dependency on Chinese Investment [CPEC]

The US-China intensifying rivalry has created a complex challenges for developing countries particularly for Pakistan a strategic unique position in the South Asia, pressurizing Pakistan to align its foreign policy and economic development with either side. This is very complex for Pakistan to maintain balancing relation between US and china. Pakistan strategic partnership with china over china Pakistan economic corridor [CPEC] demonstrates that how Pakistan has been influenced by china through heavy investment and economic dependency. This dependency is creating a pressing challenges for Pakistan toy maintain sound relation with both china and US and addressing its domestic financial problems. The main factors of economic dependency for Pakistan are debt sustainability, trade deficit, questions regarding CPEC genuinely and over dependency on china"s investment. Historically, Pakistan-china economic relationship has been evolving since 1951, a significant point came in 2015 with CPEC launching. The project aims to connect china with Arabian Sea by ports, highways, railways and other infrastructure projects and addresses Pakistan economic vulnerability. CPEC is the alternative route for china to get easy access to the rest of the world without using long root [strait of Malacca], for Islamabad CPEC is not only the way to get economic consolidation but saws as an

instrument to counter India"s growing influence in the region.

Debt sustainability and trade imbalance are the outcomes of CPEC in Pakistan, Pakistan total debt sustainability is \$ 130 billion. This mounting debt sustainability increases circular debt burden on Pakistan. According to the July 2025 report it has increased \$ 1.5 billion. Due to debt sustainability Pakistan energy sector is fluctuated and become a main problem for Pakistan economic health on the other hand, trade imbalance faces difficult, despite heavy investment through CPEC, Pakistan export to china is **approximately \$21 billion** in 2024 while Pakistan"s import id only \$2.8 billion which results trade deficit for Pakistan . While CPEC investments in energy sectors, Gawadar and highways development along with transport infrastructure are targeted by many factors. when it comes to Energy side, Pakistan faces acute shortage of energy resulting load shedding, electricity price hiking and so on, CPEC has heavily invested on Pakistan energy sector to resolve energy problem, according to report in 2024, many projects has been completed with estimated 8,700 MW energy production capacity in Pakistan aiming to address energy related problems. However, other plants [coal- power plants] have been ignored which has enough energy capacity approximately 1320MW due to environmental problems which further increase Pakistan trade deficit due to coal imports from other countries. Similarly, CPEC has heavily invested on transportation projects including new highways, railways roots, this aims to connect further economic projects and points such as Lahore orange metro line, Sukker- Multan highway so on. Furthermore, the flashpoint CPEC project [Gawadar port] is the key point of CPEC development, other project with Gawadar deep sea port, Gawadar international airport and east expressway. However, due to such development these projects have significant security issues. Additionally, separatist movements led by militant groups such as BLA, BLF and TTP are the main threats for the security of Chinese personals and CPEC projects. (TIMES, 2024)

Pakistan is dependent on china security because

of military dependency in Chinese hardware to protect Chinese personals and CPEC projects from militant attacks. From 2021 to 2025, many Chinese personals have been targeted or assassinated by TTP, BLA and BLF, in total 14 attacks over CPEC projects during these years resulting 20 Chinese killed and hundreds of local people and Chinese personals have been wounded. These militant groups are creating extremism and separatism movements to demonstrate grievances regarding resources distribution and CPEC projects. On the other hand, china has concerns over the security of its citizens in Pakistan and pressurizing Pakistan government to protect them, but despite deploying special security forces on CPEC, many attacks have been recorded such as last year where 5 Chinese workers were killed in suicide bombing attack in Shangla. Therefore, Pakistan is heavily dependent on Chinese investment [CPEC+BRI] due to weaker economic position, lack of infrastructure development, trade deficit, lack of regional influence against India and security tension.

4.1.2 Washington sanction and Economic strict restrictions on Islamabad.

The intensifying rivalry between US and china has large amplification on Pakistan economic health. Their rivalry has always hit Pakistan economy resulted heavy sanction and restriction which often weakened Pakistan’s economic growth. This sanction and economic restriction regime have been developed by the United States of America aiming to maintain its supremacy over other countries. The US economic sanction

aiming to punish Pakistan for its strategic and economic relationship with china through CPEC. These sanction include on, Pakistan’s nuclear proliferation, anti-continental ballistic missiles, Pakistan economic relation with china through CPEC and Pakistan security failure to counter terrorism. Historically, US sanction has always hit Pakistan from different dimensions, like nonproliferation sanction over Pakistan for the development of nuclear weapon, this has completely isolated Pakistan and cut off all economic and military aids from US. Though Pakistan helped US to counter terrorism after 9/11 but US concerns over Pakistan nuclear proliferation is still maintained. The historical pattern of sanctions demonstrate US economic restriction on Pakistan for its strategic choices with china. Every sanction imposed by US has significant consequences on Pakistan’s economic growth, resulting to limits its financial access to international markets, FATF gray listing problem and limiting its technological and security development. (Association, 2022)

The recent US sanction imposed on Pakistan’s four major entities responsible for the development of ballistic missiles in December 2024. One of the entity was National development complex [NDC]. US security experts justified that Pakistan has been stopped for the development of weapons of mass destruction capability to hit United States of America. Pakistan’s officials have rejected US allegations, demonstrating that the development of ballistic missiles aim to ensure its security and maintain peace in the region.

Major sanctions on Pakistan’s entities

NO of Entities.	Effected Entities.	Date
Many	NDC and major commercial entities	December, 2023
Four, 4	NCD and ballistic missile developing entities	December , 2024
Seven plus , 7+	Pakistani firms and factories	March, 2025
Thirteen plus , 13+	Companies	August 2025

US economic restriction on Pakistan in the form of tariff politics and technological transfer restriction further weaken Pakistan economic growth and become financially vulnerable. In 2025, US imposed 29% tariffs on Pakistan's exports to America, these tariffs were provisionally suspended due to trade deals but has recently revitalized where Pakistan has been Lesly received just 19% tariffs[less than India initially 25% than extended to 50%]. Pakistan main export is based on textile industry \$17 billion, representing Pakistan export. It has become vulnerable due to tariffs. On the other hand, technological transfer restriction has further created problems imposed by US for the transfer of technological hardware to Pakistan. In a nutshell, all US restriction and economic sanctions have large consequences on Pakistan economic a security development. It can be addressed with a comprehensive approach to deal with US over such dimensions and maintain balance relation between the rivalry of US and China. (security, 2024)

4.1.3 Impacts on debt, trade imbalance, industrial and technological growth

The rivalry between US-china has significantly impacted Pakistan's economy. This include depth sustainability, trade imbalance industrial and technological dimensions. Pakistan has been trying to maintain balance relation between US and China but the complex phenomena have limited choices for Pakistan's foreign policy to equally maintain relations with both super powers. CPEC provides Pakistan an opportunity and challenges including infrastructure development and debt burden. On the other hand, Pakistan difficult access to US market becoming a factor of trade imbalance, technological and industrial growth problems.

Debt sustainability is raising due to CPEC. The CPEC investment in sectors like energy, highways and special economic zones, are different from the traditional one which rise challenges for Pakistan external debt sustainability. By this Pakistan foreign resource are being allocated to the compensation of debt sustainability rather than using foe the productive growth of economy. Balance of payment is the other factor for country debt burden. The

country is spending enough foreign reserves ratio for the importing of oil which creates pressure on foreign reserves exchange while on the other hand CPEC investments need materials and other important things, this further exacerbated debt burden for Pakistan. The total CPEC-related debt burden on Pakistan is approximately 28.4% in 2025.

Similarly, trade imbalance creates challenges for the country economic growth and sustainability. Pakistan trade market is highly dependent on US and China, where the US remains Pakistan's largest trade market specifically, textile which has approximately \$17 billion export to US market, significantly improve Pakistan's economic growth. While china is the largest arm producer to Pakistan but such trade pattern creates challenges for Pakistan to either align in the US-China rivalry. Pakistan-China trade remains imbalance, according to the previous fiscal year, Pakistan import from china is approximately 421 billion while export to china remains less \$2.4 billion. This trade deficit invites challenges for Pakistan's debt sustainability. Islamabad shifted focus toward china has brought US trade restrictions and tariff on Pakistan trade market, resulting inflation, trade imbalance and hiking prices. This economic dependency weakens Pakistan's ability to maintain balance relation with both super powers. The china investment in Pakistan through CPEC has significant impacts on Pakistan's industrial growth, it improves country economic growth by investing heavily on infrastructure, highways, energy sector and industries. But it has also negative impact such as china focus on its own industries rather than Pakistani industries, where Chinese industries are receiving benefits by using their own materials, instruments and even labors which effecting Pakistan's local industrial growth. In addition, the delay in the implementation of special economic zones and limited foreign direct investment in Pakistan exacerbates industrial problems. On the other hand industrial inadequate diversification, particularly over dependent on textile manufacturing, limiting country ability to diversify its manufacturing and industrial growth. In addition, limited access to international market due to restrictions

and market vulnerability further weaken Pakistan industrial growth. (JOURNAL, 2025)

The US-China rivalry in digital advancement is creating challenges for countries particularly for Pakistan due to its technological dependency on these countries. This technological vulnerability invites digital investment in Pakistan, Chinese telecommunication companies such as ZTE, Huawei and others have invested in Pakistan telecommunication industries. These investments have invited dependency on China's digital market and US restriction on Pakistan for the alignment with China. All these challenges cut Pakistan's ability to be independent in the context of digital sovereignty. On the other dimension, US sanction on technological transfer to Pakistan is demonstrating Pakistan's digital vulnerability, and effecting specific areas like AI, digital cyber security, biotechnology and advancement in quantum computing. The US-China digital Tech competition threatening global internet, aiming to fragment this to separate one, resulting to effect communication and commerce. Such technological vulnerabilities increase Pakistan's dependency on China and US Tech companies by transferring digital technologies from these countries. In a nutshell, US-China rivalry impacts Pakistan's debt sustainability, trade imbalance, industrial and economic growth. (COUNCIL, 2025).

4.2 Security amplification for Pakistan

4.2.1 US-Pakistan security relationship post 9/11 and post Afghan withdrawal

The US-Pakistan security relation has been reshaped with a strategic alignment to counter terrorism. Historically, their security ties strengthened in cold war era where both have collectively cooperated against Soviet influence. After that, their ties have been further strong after 9/11 incident by collectively working to maintain peace in the region. Similarly, the US-Pakistan security relationship can be categorized in three dimensions, the first one is about the initial period of security alliance starts from [2001-2011], the second one period starts from [2011- 2020] and the last one starts from 2020-present day].

4.2.2 Post 9/11 from 2001 to 2011

After 9/11, Pakistan has been highly pressurized by USA to work against War and Terror, the choices for Pakistan government were limited either align with US or face international isolation, Pakistan aligned with US to counter terrorism. Following the consent, Pakistan provided logistic support such as free air and land access, intelligence support and air ports. On the other side, US provided Pakistan diplomatic, military [F16, helicopters, etc.] and economic supports. Despite all these collective efforts against War and Terror, the turning point has started when US conducted drone strikes on the northern side of Pakistan, aimed to target Haqqani network and other Taliban, these drone strikes violated Pakistan's sovereignty and intensified civilian anger against America. Such strikes have targeted civilian infrastructure and caused collateral damage. Furthermore, US-Pakistan security relation in this period has been highly weakened due to many factors such as the double game politics used by Pakistan to provide indirect help to Taliban and Haqqani networks, the India growing strategic alignment with US became a concern for Pakistan security and last is trust, where US did not blindly trust on Pakistan [ISI]. All these factors have undermined their relation on security dimension.

4.2.3 Post 9/11 from 2011 to 2020

In the second phase of post 9/11, US-Pakistan security relationships have significantly disturbed by many factors such as violation of Pakistan's sovereignty following by launched operation against Osama Bin Ladin in Pakistan Abbottabad. This was not only compromised their long lasted relationships but also raised questions about the credibility of Pakistan's military capability. The second factor Salala check post incident where NATO helicopter targeted Pakistan's military personnel killed 24 soldiers. The third factor was US aid suspension to Pakistan due to double game politics and the last factor was US-India growing relations which was a direct threat for Pakistan national security. All these factors have become the reasons of strained relation between US and Pakistan. (Organization, 2025)

4.3.4 Post withdrawal period 2021-present day

The US-Pakistan security relation termed a new shifted following the withdrawal of US from Afghanistan and Taliban come back in 2021. Many security experts noticed that Taliban return in Afghanistan government is a strategic victory of Pakistan, they believed that India influence would counter with help of Taliban government. However, the ground realities have appeared after takeover afghan government by Taliban. A dual game allegations have been imposed on Pakistan by US for supporting Taliban government. The other challenges faced by Pakistan was US cut security and economic aids to Pakistan. The last one is cross boarder terrorism faced by Pakistan. The Pakistan government initially expected that TTP would be controlled by Taliban. But has been attacking on Pakistan's soil targeting security forces, civilian and Chinese personals (CENTRE, 2023)

4.2.5 China's interest in Pakistan particular Gawadar and military cooperation

The strategic partnership between china and Pakistan has significant important. The partnership between them are based on CPEC[BRI] a flash point project, china aims to have economic and security influence in sought Asia. Their collaboration include, economic development through investment, security cooperation and strategic alignment. This cooperation has both an opportunities and challenges for Pakistan such as economic growth and weak ties with US.

Gawadar is considered the gate way of china's export to the world, this provide a shortest root for china's export market and oil and gas supply from Arabian countries, an alternative way of Strait of Malacca. CPEC \$62 billion project provides an opportunity for economic integration by developmental projects, highways, ports and economic points. Gawadar is not provide an economic opportunity for china but also gives access to Asia, Africa, Europe and Middle East. On the other hand, security problems create challenges for Pakistan-china strategic partnership. BLA, TTP and Majeed Brigade are

creating insurgency in Baluchistan by targeting civilians and Chinese infrastructure and personals [Shangla attack 2025 and Karachi in 2022]. On this regard, china exerts immense pressure on Pakistan to give ground access to them against BLA, TTP and others. By protecting CPEC infrastructures, Pakistan launched Operation Azm-e- istehkam. On the other hand, Gawadar is an important area for china and Pakistan to monitor India movement in the Indian Ocean. However, all these import ants, US has a concern about china influence in Gawadar by using it as naval base.

Similarly, china Pakistan has long lasting military cooperation. China is the largest suppliers 80% of arms to Pakistan. Which include, JF17 THUNDER, PL-15 Missile system, HQ defense system, J10 jets and other naval ships. After the conflict of Pakistan- India both Beijing and Islamabad are dealing the j-35[advanced 5 generation jet]. Pakistan is being militarily supported by china counter India growing influence and shifted its focus towards china-India boarder dispute. On the other hand both countries are jointly exercising aiming to get ready for any unpredictable ancient. Additionally, intelligence sharing by them are the part of their strategic relationships. Furthermore, china is also providing nuclear support to Pakistan, including nuclear reactor, technology for nuclear energy plants and supporting its nuclear security efforts. Despite all these opportunities for Pakistan it has also challenges for Pakistan such as US sanctions on Pakistan proliferation and military growth, strained relation with US and difficulties for Pakistan to maintain balance relation between two rivals. (china, 21 August 2025)

4.2.6 Terrorism and Extremism: United States of America versus china

The ongoing strategic competition between two great rival US and China has invited security problems for Pakistan. A South Asian country having important position, their rivalry impacts can be seen in terrorism and extremism. Historically, Pakistan maintained sound strategic relation with both but, now the shift has changed with an immense pressure from both side that either select one or other. Extremism and

terrorism are the main challenges of Pakistan often come with CPEC and regional imbalance, on the other side, US strategic alignment with India are inviting such problems in Pakistan. The terrorism has increased after the US withdrawal from Afghanistan, where militant groups such as TTP, BLA, BLF and Majeed brigade saw a safe haven in Afghanistan to launch operation against Pakistan aiming to denaturalize CPEC and Pakistan peace. Historically Pakistan has always struggled against militancy with a close cooperation with US particularly in cold war era, after 9/11 while china strategic relation with Pakistan always based on mutual interests in security and economic dimensions. Similarly china has always supported Pakistan stance over Kashmir, security concern and extremism particularly in Baluchistan and KP which often targets and effect CPEC projects. On the other hand, US- Pakistan strategic partnership has always worked against terrorism and efforts in counterterrorism. The analysts compare US and china approaches for the counter terrorism efforts with Pakistan. (State, 22, 2025)

Pakistan is very vulnerable in terms of security particularly after Taliban's takeover in Afghanistan. The terrorist activities has been increased since 2021. Pakistan Institutes for Peace Studies has reported the 2024 terrorist attack launched by the different groups such as BLA, TTP, BLF and Majeed brigade in Pakistan. Approximately 35 attacks were recorded where 70+ people were killed. Similarly, in Baluchistan more than a dozen attacks has launched by terrorist in which more than hundred people have lost their lives. Furthermore, The APS [Peshawar] attack in 2014 is the other evident where 135 people were targeted. The recent BLA attacks in Baluchistan on Chinese workers and CPEC projects have further weakened Pakistan peace. Along with that, in 2025 the Jaffar express hijacking, suicide bombing attack in Quetta railway station and Bus attack conducted by BLA have violated national peace.

The Washington approaches with Pakistan in counterterrorism efforts against militant groups is significantly imperative to ensure peace in the region. The recent developments demonstrates

that both US and Pakistan agree for strategic partnership and works against militancy with counterterrorism efforts held in Islamabad in 2025. Recently, in this year, US government has officially proclaimed that BLA and Majeed brigade are terrorist groups operating in Baluchistan. This has further strengthened Pakistan's strategic ties with US. This approaches includes intelligence sharing, economic cooperation, technological cooperation and providing military hardwares. The US also appreciates Pakistan efforts to counter militancy and maintain peace in the region, on this US has not only diplomatically support Pakistan but also strategically, this approach is based on interest if US find Pakistan fails to counter militant, the military and economic aids might be cut off. For instance in 2024 US sanctions on 4 major entities involved in ballistic missiles development in Pakistan. (REALTIONS, 2008)

Similarly, china approaches to counter terrorism. Particularly in CPEC projects and the protection of Chinese personnel. China approach is based on economic and investment development, china is only demanding security insurance from Pakistan that their investment and workers should be safe in Pakistan. After Shangla attack where Chinese workers were killed. China has cut off its two main projects due to security reasons. On this regard, China offered strategic partnership to Pakistan involved joint security cooperation on CPEC projects and Chinese workers. Along with that supporting Pakistan militarily by providing advance weapons, jets, defense system and naval ships to strengthen Pakistan security simultaneously, china help Pakistan in extremism to counter such grievances which create insurgency and violence. (Muhammad, 2018)

Despite all these efforts Pakistan security and peace are being violated by BLA, TTP and BLF to launch operations against infrastructure developments and civilians including Chinese. Beijing's ambassador to Pakistan has recently raised questions about Pakistan inability to counter terrorism particularly on CPEC, Gawadar Baluchistan and Karachi. In nutshell, US - china approaches in counterterrorism efforts with Pakistan will improves security and

regional peace, which is being demanded by both US and china in Pakistan[region].

CONCLUSION AND RECOMMENDATIONS

5.1 Policy Recommendation for Pakistan in the context of US-China Rivalry

The US -China intensified rivalry has created many challenges for Pakistan such as political, economic and security-wise. Pakistan has to maintain balance relationship with both powers without compromising in its diplomatic legitimacy, economic prosperity and security. Pakistan must work on such dimensions which navigate its relation with great powers. Strengthen diplomacy, economic development and diversification, strengthening security, and strategic alliances can help Pakistan to maintain balance act between US and China.

- **Enhancing struggle for multilateral diplomacy**

Pakistan alignment with multilateral organizations can improve Pakistan's relation with US and China and increase Pakistan ability in negotiating and peaceful settlement of dispute resolution. Pakistan as a member in SCO has a leverage to maintain relations with its members and other countries and maintaining diplomatic, Economic and security relation with Washington and Beijing. Similarly, Organization of Islamic cooperation OIC is providing a platform for Pakistan to engage with Muslim states through diplomatic and economic relations. This can help Pakistan to neither dependent on china nor on US but collectively establish joint investment fund and strategic cooperation in counterterrorism efforts. This will help Pakistan to get diplomatic leverage. In addition, Pakistan's position in SAARC can revitalize peace in the region. Profoundly, The Islamabad has to offer a neutral facilitating dialogue channels for US and China to peacefully resolve rivalry and focus to address problems such as climate vulnerability, security tensions economic instability and nuclear- proliferation. Along with this, Pakistan should play role as neutral player in the region to reconstruct Afghanistan by collective works with US, china, Russia and other countries. Pakistan

should take independent and unbiased stance on the international issues without tilting towards either power and should independently voting in international forums to address issues. Pakistan has to engage with European Union through GSP+ status, this will diversify diplomatic and economic growth by accessing to international market. In addition, Pakistan has to revitalize its relations with Gulf States through strategic partnership and joint investment. Therefore, this will help Pakistan to get alternative ways of energy. Similarly, Pakistan needs to maintain relations with ASEAN and Northern economies in technology sharing, joint investment and strategic relationships. All these initiatives help Pakistan to have a neutral player between the US -china rivalries, and provide an alternative ways of investment, economic diversification, diplomatic independency and strategic development.

- **Strategies for economic diversification.** Pakistan can reduce economic dependency by taking initiatives such as tax reforms, export growth-based strategies, debt management mechanism, attracting foreign investment and economic connectivity with regions. Pakistan must increase Tax to GDP ratio to 17% this will reduce Pakistan dependency on china markets particularly through CPEC, and improve economic growth. Other in the list is the enhancement of export, Pakistan has to use special economic zones to enhance its export to non-Chinese exporters in these areas such as textile, meat, food, vegetables, oils, goods and other important things. Along with that Pakistan has the ability to address debt burden by borrowing funds without interest from any other country. This can overcome Pakistan dependency on china investment specific CPEC. To counter debt trap politics, and economic influence by both countries. Pakistan needs to focus towards another markets such as Middle East and European. This will help to revitalize economic strength. Pakistan must provide a safe investment environment to countries like Saudi Arabia, Qatar, Oman and Dubai to invest in Pakistan's mining, renewable energy and agriculture sector.

Through these initiatives Pakistan can improve its economic health. In addition, Pakistan must improve its technological strength by cooperating with Japan, Germany and other countries in automobile sector, renewable energy sector and defense. Similarly, Pakistan connectivity through Afghanistan to central Asian republic will provide Pakistan an opportunity to easily trade with them and maintain regional peace through CASA1000 project, Gas pipe line and TAPI project. Additionally, despite heavy US sanction on Iran, Pakistan must work with it on different sectors such as energy, oil, gas, and security to strengthen relations between both countries and maintain peace.

- **Strengthening military relation and balancing strategic alliances.**

China is the largest arms supplier to Pakistan and strategic partner against terrorism and extremism. This helps Pakistan to maintain balance of power in south Asia against India. On the other hand, Pakistan can maintain balance relation by cooperating with US in counterterrorism efforts, intelligence sharing and joint military exercises to counter terrorists. This will help both countries to strengthen their strategic alignment. Pakistan has to also explore another arms market such as European markets including, France, Germany and Italy to overcome dependency on Chinese market. In addition, Pakistan has to deepen its intensifying strategic relation with Turkey in many military field such as naval, air force [collective work on jets] intelligence sharing and drones development. Therefore, Turkish market can provide an alternative way to Pakistan by reducing over dependency on Chinese and US arms markets. Furthermore, Pakistan should cooperate with CHINA and US on nuclear non-proliferation mechanism by establishing protocol for cyber security in nuclear control system. This will become Pakistan as a responsible nuclear country. Pakistan should further secure its nuclear weapons and taken protocol of second strike capability by avoiding first use of nuclear weapons in crisis. On the hand maritime development is the backbone of

Pakistan strategic and military strength. Pakistan must regularly conduct naval base exercise with US China, and other regional and non-regional countries to maintain stability and peace. Pakistan has not to allow neither US nor China to use Gwadar as a naval base this will not only strengthen Pakistan's sovereignty but also modernize its navy. All these strategic and military initiatives help Pakistan to overcome dependency on China and US. And improve its security without any compromise.

5.2 Conclusion

The intensifying rivalry between US and China has an immense impact on Pakistan political, economic and security aspects. This creates challenges and opportunities for Pakistan. Historically, Pakistan has deeply aligned with US against Soviet Union in cold war era where they strategically cooperated against the influence of USSR in the global dynamics, similarly after 9/11 incident, both countries cooperated by counterterrorism and military sharing against War and Terror. Which had both opportunities and challenges when it has openly aligned with US while China-Pakistan long standing strategic and economic partner particularly through CPEC [a flashpoint BRI having \$62 billion project]. If one side Pakistan has leverage to maintain relation with both powers while on the hand there are many challenges created by US-China rivalry such as economic dependency, political and diplomatic weakness and security problems [terrorism and extremism]. On the political aspect, Pakistan has immense pressure from US to align with its strategic interests and working on human rights, democracy and concerning over Pakistan strong alignment with China through CPEC while China demands Pakistan to take a pro stance over Taiwan and Xinjiang issue. And diplomatically align with its interests. This actions have weakened Pakistan foreign policy and diplomatic influence. In addition, the US growing alignment with India and Indian influence in the Indian Ocean and South Asia are concerning for Pakistan, which pushes Pakistan to align its strategic and economic relation with China. On this regard, US growing economic and diplomatic support to India

become a new challenge for Pakistan to justify its rights over Kashmir issue. Moreover, china is diplomatically supporting Pakistan stance on Kashmir in the internal platform [UNSC]. In addition, US and China are seeking to get leverage through their regional alliances to maintain political, technological and military superiority. The alliances like Quadrilateral Security Dialogue QUARD, the BRICS Grouping [Brazil, Russia, India, China, and South Africa], the Shanghai Cooperation Organization SCO and Belt and Road Initiatives BRI directly impact on Pakistan political landscape and foreign policy. These alliances provide a complex choices for Pakistan foreign policy to align either US or China. Additionally, China's influence on Pakistanis domestic politics is shaped by strategic partnership between both Islamabad and Beijing, their strategic and economic partnership reshapes economic development, diplomatic strength, governance structures and social dynamics. The strategic relationships between both countries are significantly based at the framework of belt and road initiatives particularly china Pakistan economic corridor CPEC. While collectively working to counter their regional enemy [India]. In addition, China's influence on Pakistan domestic politics brings both challenges and leverages. This is really difficult for Pakistan to maintain balance relation between China and US. On the other hand, US-China rivalry has created challenges for

Pakistan's economic health. China has largely invested in Pakistan particularly through CPEC which bring both opportunities and challenge for Pakistan. Such as economic development, infrastructure development, highways, special economic zones, ports [Gawadar] and energy plants. While on the other hand it has many challenge like debt sustainability, sovereignty problem, economic dependency, provincial-federal clashes, grievances, terrorism, and extremism create by TTP, BLA and BLF.in addition to that, CPEC is considered the game changer project which will connect china with central Asian, Europeans countries, Africa and other regions and also provide an alternative way against Strait of Malacca for china to enhance its

economic, diplomatic and security influence. Due to strong china- Pakistan economic relation. This hinders Pakistan relation with US and invite heavy restrictions and sanctions like recent imposed sanction over 4 major entities which involved in the development of Anti- continental ballistic missiles. Along with pushing Pakistan towards the gray list of FATF and withdrawal of US economic and military aid to Pakistan has further strained their relations.

Furthermore, US economic restrictions on Pakistan in the form of tariff and technological transfer restriction further weaken Pakistan economic growth and become financially vulnerable. In 2025, US imposed 29% tariffs on Pakistan's exports to America, these tariffs were provincially suspended due to trade deals but has recently revitalized where Pakistan has been Lesly received just 19% tariffs[less than India initially 25% than extended to 50%]. Pakistan main export is based on textile industry \$17 billion, representing Pakistan export. It has become vulnerable due to tariffs. On the other hand, technological transfer restriction has further created problems imposed by US for the transfer of technological hardware to Pakistan. In the same list, Debt sustainability is raising due to CPEC. The CPEC investment in sectors like energy, highways and special economic zones, are different from the traditional one which rise challenges for Pakistan external debt sustainability. By this Pakistan foreign resource are being allocated to the compensation of debt sustainability rather than using foe the productive growth of its economy. Balance of payment is the other factor for country debt burden. The country is spending enough foreign reserves ratio for the importing of oil which creates pressure on foreign reserves exchange while on the other hand CPEC investments need materials and other important things, which are not sufficient and have further exacerbated debt burden for Pakistan. The total CPEC- related debt burden on Pakistan is approximately 28.4% in 2025.

Similarly, trade imbalance creates challenges for the country economic growth and sustainability. Pakistan trade market is highly dependent on US and China, where the US remains Pakistan's largest trade market specifically, textile which has

approximately \$17 billion export to US market, significantly improve Pakistan's economic growth.

The US withdrawal from Afghanistan has invited many security challenges for Pakistan such as extreme terrorism and extremism where terrorist groups such as BLA, BLF, TTP and Majeed brigade. They mainly targeted civilians, security forces and Chinese workers to denaturalize CPEC and disturb Pakistan-china relations. On this china has the concern and exerts pressure on Pakistan's government to take action against militants to protect Chinese's personnel and CPEC projects. Additionally, Pakistan security and defense is mainly dependent on china where 80% defense hardwares are imported by Pakistan from china such as [jets J10, PL-15 missiles, HQ Defense system and naval ships] this security cooperation reduces US aids and strategic counterterrorism cooperation with Pakistan. But strengthen US- India relations. In a nutshell US-china rivalry has large impacts on Pakistan's political, economic and security dimensions, this provides a hot spot for Pakistan to maintain relations with both countries without compromising its sovereignty and Interests.

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