

NAVIGATING THE SUPERPOWER TRIANGLE: PAKISTAN'S FOREIGN POLICY DYNAMICS BETWEEN CHINA AND THE UNITED STATES

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DOI: <https://doi.org/10.5281/zenodo.21351884>

Received	Accepted	Published
09 July 2025	18 September 2025	29 September 2025

ABSTRACT

Pakistan is one of the most geopolitically crucial countries in the modern world standing between two competing geopolitical interests of the two suzerain powers of the world: the US and the People's Republic of China. The increasing degree of complexity of Pakistan's foreign policy in the US-China-Pakistan triangular dynamic since the Cold War and the impact of the China-Pakistan Economic Corridor (CPEC) on the foreign policy landscape of Pakistan is discussed in this article. This article is based on the concepts of alliance theory, strategic autonomy frameworks and balance of power analysis, which suggests that Pakistan has been following a hedging policy, i.e. diversifying its economic and security ties with China while working on the strategic balance with the United States to prevent strategic abandonment. In the face of systematic competition, this balancing act has become even more difficult to sustain, especially amid growing US-China rivalry. It analyses four thematic aspects of this triangular relationship: security and military cooperation, economic interdependence, ideological and normative convergence and regional rivalry in the South and Central Asia region. This indicates that Pakistan is facing a structural problem where its reliance on China and lack of confidence in the U.S. could see it become a junior ally in a new Sino-centric regional order with potentially negative impact on its strategic autonomy and domestic political economy.

Keywords: Pakistan, United States, China, CPEC, US-China rivalry, foreign policy, hedging strategy, alliance politics, South Asia, Belt and Road Initiative

1. Introduction

The geostrategic position of Pakistan, with its border with Afghanistan, Iran, India and Arabian Sea coast, has turned it a corner of great power rivalry. But, since the country's independence in 1947, the foreign policies of Pakistan have been strongly influenced by its ties with the United States and, more recently, with China. The two bilateral relationships cannot be studied separately, but as a component of a trilateral strategic one, which has gone through multiple stages of alignment, estrangement, rivalry and recalibration (Haqqani, 2005; Riedel, 2011).

A growing structural tension is the hallmark of the current US-China-Pakistan triangle. On one axis, China and Pakistan have strengthened their ties by signing over \$62 billion worth of infrastructure and energy projects in Pakistan since 2015 as part of China's flagship Belt and Road Initiative (BRI) – the China-Pakistan Economic Corridor (CPEC) (Mohan, 2018; Hussain, 2017). In the other direction, US-Pakistan relations, which were already battered by the Cold War containment logic and then by the post-9/11 counterterrorism goals, have further deteriorated, with mutual distrust and

withholdings of aid, as well as strategic disagreements on Afghanistan, India, and regional terrorism (Schaffer & Schaffer, 2011; Fair, 2014).

The dilemmas of US-China systemic rivalry have been compounded during the Trump and Biden administrations. US-China rivalry has been a game of black and white during the Trump and Biden era, exacerbating the dilemmas of policy-makers in Pakistan. The Quad (US, India, Japan, Australia) was the name of Washington's Indo-Pacific strategy, which explicitly treated China as a strategic competitor and India as a regional counterweight, which is deeply uncomfortable for Islamabad with its adversarial relationship with New Delhi (Chaudhuri, 2022). The options for Pakistan in this competitive scenario have far-reaching consequences for its territorial integrity, economic future and regional standing.

This article has four main contributions. First, it offers detailed periodization of the US-China-Pakistan triangle during the past fifty years. Secondly, it examines the practicalities of CPEC as a transformative variable in the triangular equation. Third, it looks at the hedging policy followed by Pakistan and its growing constraints. Fourth, it explores the implications of the escalation of competition between the US and China for Pakistan's future foreign policy options. The article is structured based on the alliance theory (Walt, 1987; Snyder, 1984), strategic autonomy frameworks (Mukherjee, 2019) and hedging theory (Goh, 2005; Kuik, 2008).

2. Theoretical Framework: Alliance Politics, Hedging, and Strategic Autonomy

Based on classical alliance theory, as developed by Walt (1987) in his balance-of-threat model, states ally against threats not against power in general, and take into account variables such as aggregate power, geographic proximity, offensive capability and perceived aggressive intent. This is the pattern followed by Pakistan's initial pattern of alignment with the United States in the 1950s, when Islamabad saw a threat from India from which it looked to the outside for balancing, and found the United States to be a patron with the

means and interest to check Indian regional ambitions (Jalal, 1990; Kux, 2001).

But classical alliance theory does not adequately explain the behavior of smaller states having several great power relationships. Goh (2005) and Kuik (2008) developed a more complex framework for hedging theory. Hedging involves pursuing a portfolio of relations with rival great powers so as to minimize dependence on any one patron, maintain strategic options and maximize material gain from competitive suitors. The Pakistan's policy of hedging between US military support and Chinese economic investment since the 1960s is the classic example of hedging (Chaudhry, 2019).

Pakistan's success in navigating the triangle can be judged in terms of strategic autonomy, which can be defined as Mukherjee's (2019) "the capacity of a state to make independent foreign policy choices unconstrained by the preferences of stronger powers. Due to the conditional nature of Pakistan's relationships with China as a result of CPEC-related debt and security-related ties, scholars have raised doubts about the ability of Islamabad to have any meaningful strategic autonomy or whether it has simply shifted from dependence on the United States to dependence on China (Baloch, 2018; Amin, 2020).

The analytical framework is also enhanced by bringing attention to domestic variables, as outlined in neoclassical realism (Rose, 1998), which include civilian/military relations, political instability, and economic weakness, that impact Pakistani decision-makers' reaction to systemic incentives. It is a fact that the fiscal insecurity of Pakistan has always forced it to become a 'rentier state' in the foreign policy arena, since it has to secure external financial support over the fulfillment of its strategic obligations (Haqqani, 2005 and Jalal, 1990). This pattern has been observed in the US-Pakistani and Chinese relationships, and that's true of Pakistan's hedging as well, not just its strategies.

3. Historical Evolution of the Triangular Relationship

3.1 Cold War Foundations (1947–1979)

The Pakistan-USA alliance during the Cold War period was more on the basis of security than ideology. In 1954 Pakistan became member of Southeast Asia Treaty Organization (SEATO) and 1955 of Central Treaty Organization (CENTO) and became one of the most formally allied country in Asia of Washington (Burke, 1973). In return, Pakistan got military aid, economic assistance, and diplomatic support in its conflict with India, especially in the wars of 1965 and 1971—and American support was not as unconditional as Islamabad would have liked, especially during the 1971 crisis that led to the establishment of Bangladesh (Bass, 2013).

The Pakistan-China relationship had been progressing alongside, first through the difficult transition of formal US alliance, and later through a number of other obstacles. Despite prevailing Cold War divisions in the world, these two countries established diplomatic relations in 1951 and signed the first Sino-Pakistani border agreement in 1963, which marked an alignment that went beyond Cold War divisions (Small, 2015). The fundamental logic of the China-Pakistan relationship—mutual counterbalancing of India—was first clearly demonstrated during the 1965 war, when China backed Pakistan with an ultimatum to India. (Garver, 2001)

From early on (Kissinger, 1979), the Nixon administration showed the triangular relationship was quite intertwined, using Pakistan as a go-between in opening the door on Pakistan to China. The strategic significance of Pakistan was obtained for it as a connecting link between Washington and Beijing, which foreshadowed subsequent triangular relationships.

3.2 The Afghan Wars and Reconfiguration (1979–2001)

The United States' strategic significance to Pakistan changed in December 1979 following the Soviet invasion of Afghanistan. During the 1980s, Pakistan was the main source of United States military and economic help to the Afghan mujahideen, with the Saudi government also

funding the Afghan cause, which in total cost the United States around \$3.2 billion (Coll, 2004; Yusuf, 2018). It was the time of the heyday of strategic cooperation between the United States and Pakistan, but it was also the time that was creating the jihadist infrastructure that would plague both nations later.

After the 1989 Soviet withdrawal from Afghanistan and the fall of the USSR, the US quickly pulled out of Pakistan. The Pressler Amendment was waived during the Afghanistan jihad, but it was revived in 1990 when Pakistan's nuclear development was discovered (Kux, 2001). The sudden withdrawal further deepened the impression of Pakistan that the Americans were an unpredictable ally that used Pakistan-U.S. ties for their own geopolitical goals and left their allies vulnerable once they were not needed (Haqqani, 2005).

Sino-Pakistani collaboration in the security and nuclear fields took a quantum leap during the 1990s and Washington was alarmed at this. China was a vital source to Pakistan's nuclear weapons program, giving them designs for a tested nuclear device and ballistic missile technology (Levy & Scott-Clark, 2007). The nuclear dimension introduced a new dimension into the triangular equation – US nonproliferation concerns now directly clashed with Pakistan's security need on Chinese support and Chinese desire to see Pakistan continue its deterrent posture against India.

3.3 Post-9/11 Realignment (2001–2013)

The terrorist attacks on September 11, 2001, created the most dramatic shift in the US-Pakistan relations since the Cold War era. Within days, Pakistan changed its policy of recognizing the Taliban, and instead, it acceded to the United States' requests for intelligence sharing, overflights, and the use of Pakistani territory for operations in Afghanistan, a change President Pervez Musharraf later referred to as being between "strategic partnership and devastation" (Musharraf, 2006; Rashid, 2008). For this, Pakistan got around \$18 billion in the form of security and economic support from the

United States from 2002 to 2011 (Kronstadt, 2011).

Picture the basic structural contradiction in US-Pakistan relations in the post-9/11 decade, when Washington needed Pakistan's help in Afghanistan but believed the Pakistani intelligence agency (ISI) had been involved in maintaining contact with the Afghan Taliban groups that were killing American soldiers. The dysfunction of the alliance was best summed up in Admiral Mike Mullen's 2011 testimony to Congress on the Haqqani network, in which he called it "a veritable arm of the ISI" (Mullen, 2011; Woodward, 2010).

At the same time, China subtly increased its economic and infrastructural commitment to Pakistan, with investment in Gwadar port (opened in 2007), the upgrading of the Karakoram Highway, and several energy initiatives. But the US-Pakistan relationship was eating into billions of dollars of security aid for relatively little benefit, while China's longterm investment in infrastructure was building the bases for a qualitatively new kind of strategic partnership (Small, 2015; Hussain, 2017).

3.4 CPEC and Structural Transformation (2013–Present)

The launch of CPEC during the state visit by the Chinese Premier Li Keqiang to Islamabad in 2013 and the formal inauguration of CPEC during the state visit by President Xi Jinping to Pakistan in 2015 was a turning point in the triangular relations. CPEC was at first estimated to cost \$46 billion, and subsequently revised upwards to more than \$62 billion, making it the biggest foreign investment project in Pakistan's history, and the most tangible proof of China's BRI ambitions in South Asia (Mohan, 2018; Hussain, 2017).

The strategic rationale of CPEC was beneficial for both China as well as Pakistan's interest. The corridor offered China an energy and trade route around the potentially vulnerable Strait of Malacca, opened a new market not only for the underdeveloped Xinjiang region but also enabled China to gain a strategic presence in the Indian Ocean via Gwadar (Rehman, 2016). The CPEC

was expected to help in solving Pakistan's longstanding energy deficit, upgrading infrastructure and boosting the nation's economy, but it was pointed out that the conditions of the loans, provisions on profit repatriation, and labour importation were more favourable for the Chinese (Baloch, 2018; Amin, 2020).

4. Security Dimensions of the Triangular Relationship

4.1 US-Pakistan Military Partnership: Transactional and Troubled

The past security cooperation between the United States and Pakistan has been more transactional than strategic. The USA has given Pakistan F-16 aircraft, equipment, military training and billions of dollars in reimbursement from Coalition Support Fund. Yet every large-scale joint effort of military cooperation has been subject to ad hoc policy demands and has proved not to be sustainable when American strategic interests change (Fair, 2014; Schaffer & Schaffer, 2011).

The Abbottabad raid in May 2011, which also killed Osama bin Laden without the Pakistani authorities' knowledge or permission, has brought to the fore the extent of distrust between the US and Pakistani security services. The raid was a humiliation to Pakistan's military authorities because they failed to spot bin Laden's presence in Pakistan for 10 years and Washington was ready to breach Pakistani sovereignty whenever it felt it was necessary (Bowden, 2012; Riedel, 2011). The relationship was at its lowest level since the 1990s due to the following incidents: the next suspension of US military support, the Raymond Davis affair, and the NATO strike on a Pakistani military base in Salala that killed 24 soldiers in November 2011.

The Trump administration's suspension of nearly \$1.3bn of security aid for Pakistan in January 2018, because it is said to have tolerated Afghan Taliban sanctuaries, continued to damage the "material foundations" of the partnership (U.S. Department of State, 2018). US involvement in Pakistan under the Biden administration was mostly about the withdrawal from Afghanistan in

2021, in which time Islamabad was also put to use for logistical support, and latter a low-intensity relationship with occasional high-level meetings with no new substantive commitments (International Crisis Group, 2021).

4.2 China-Pakistan Military Cooperation: The "All-Weather" Partnership

The military relationship between China and Pakistan has gradually expanded in the course of the past decades and has reached a nuclear, conventional and naval dimension, which is the most comprehensive security relationship between China and any developing country in its portfolio. The official term since 2015 is 'all-weather strategic cooperative partnership', a relationship that Chinese officials have called 'higher than mountains, deeper than the ocean' (Ministry of Foreign Affairs of China).

The JF-17 Thunder fighter aircraft is a co-developed and transferred fighter jet that is the backbone of the Pakistan Air Force; the export of the Yuan class submarines and advanced naval frigates that have significantly enhanced Pakistan Navy's blue water capabilities; supply of HQ-9 air defense system, and continuous ballistic missile cooperation (Small, 2015; Grare, 2019). These transfers are of special importance as they often include technology transfer and co-production mechanisms to strengthen the indigenous defence industrial base of Pakistan, in addition to hardware sale.

The nuclear aspect of China-Pakistan security cooperation is the most critical and the least transparent. In the 1980s, China helped Pakistan build its nuclear weapons program; today, the cooperation has expanded to include civilian nuclear energy projects, such as multiple nuclear reactors being constructed by Chinese firms in Chashma and Karachi, which critics say are in violation of Nuclear Suppliers Group guidelines (Krepon & Thompson, 2013). For its part, Beijing sees a nuclear-rich Pakistan as a good counterbalance to its neighbor India, who has also competing territorial claims and strategic rivalry with China.

4.3 The India Variable

Numerous discussions on the US-China-Pakistan triangle simply cannot do without the inclusion of the fourth leg, India, which is the most fundamental determinant of all three bilateral relationships. In Pakistan, the primary motivator for military shifting is the nation's security concerns towards India. Apart from this, China's backing of Pakistan is also driven by the "string of pearls" policy of squeezing India between the states and the infrastructure it has allied with China (Kaplan, 2010).

The US-India strategic partnership, which has been expanded and strengthened by the 2008 Civil Nuclear Agreement, Defense Technology and Trade Initiative (DTTI), and India's recognition as a Major Defense Partner in 2016, has created a new structural tension for Pakistan (Chaudhuri, 2022). Washington's policy of supporting New Delhi as a check on China in Asia means that Pakistan is losing its assets in Asia, which is what the balance of power in the region is about. (Siddiq, 2017)

The Quad forum, which includes the United States, India, Japan and Australia, does not include Pakistan and the regional security trajectory set by the Quad fails to resonate with Pakistan's strategic interests (Roy, 2021). To date, the Foreign Office has voiced concerns about the Quad, with Islamabad feeling uncomfortable about being "structurally on the wrong side" of the "new" Indo-Pacific order led by the United States (Ministry of Foreign Affairs of Pakistan, 2021).

5. Economic Dimensions: CPEC, Aid Dependency, and Debt Vulnerability

5.1 CPEC: Promise, Progress, and Problems

The impact of CPEC on the economy of Pakistan has sparked policy and academic discussions. Its transformative potential is highlighted, including its capability to generate around 10,400 megawatts of electricity generation capacity (stopping Pakistan's chronic energy shortage), its ability to develop 886 kilometers of roads and upgrade Gwadar port from a small fishing port to a deep sea commercial port, and to establish Special Economic Zones, inspired by the success

of export processing zones in China (Hussain, 2017; Mohan, 2018).

But critics have expressed substantive doubts about the economic sustainability and equity of CPEC. Improving trade relations between Pakistan and China after the launch of CPEC resulted in a considerable rise in current account deficit in the post-CPEC era, which was partly attributed as a result of importing Chinese machinery and equipment for infrastructure projects (Zaidi, 2018). Chinese firms have been repatriating some \$1.5 billion annually in profits and dividends from early operational CPEC energy projects, putting pressure on Pakistan's foreign exchange reserves (State Bank of Pakistan, 2020). Most importantly, the debt burden linked to the loans for CPEC is estimated to contribute about 27% of Pakistan's external public debt by 2022 which has raised concerns about long-term debt sustainability (IMF, 2022).

The "debt trap diplomacy" theory popularized by Chellaney (2017) has been extrapolated to CPEC, with the theory that China's lending conditions make it easy for her to have political influence over Islamabad's government. CPEC backers argue that the debt woes have been loaded on the shoulders of Pakistan's pre-existing commercial borrowing levels and domestic fiscal mismanagement and not just CPEC loans, and that CPEC loans are not more predatory than international commercial borrowing (Amin, 2020; Mohan, 2018).

5.2 US Economic Engagement: Conditional and Diminishing

Historically American economic ties with Pakistan have been based not on a development partnership or commercial investment, but on security assistance. US civilian assistance to Pakistan reached its highest level of about \$1.5 billion per year under the Kerry-Lugar-Berman legislation in 2010-2012, but dropped significantly when relations with Afghanistan turned sour (Kronstadt, 2011). While the USA extends the support through direct investment, the investments are still very small compared to the investments of the Chinese government through CPEC in Pakistan, which is driven by

apprehensions regarding investment climate, regulatory uncertainty, and security concerns in Pakistan by the private sector of the USA.

Washington has occasionally used the IMF and World Bank as tools of engagement and accommodation for Pakistan, and has backed multilateral lending that is subject to governance and fiscal reform conditions. The IMF and the World Bank have been used from time to time by Washington as instruments of economic engagement with Pakistan, with governance and fiscal reform conditionalities attached to multilateral lending programs. But the U.S. has also covertly pushed for financial institutions to look at the debt sustainability of CPEC, with geopolitical rather than developmental intent. There are also triangular tensions between Pakistan's need for IMF programs to deal with the regular balance-of-payment crises and the Chinese interest in the continuation of CPEC (Zaidi, 2018).

Bilateral trade is also developing rapidly, and has reached around \$27 billion in 2022-23, but the trade is highly imbalanced in favor of China, and Pakistan is facing a huge trade deficit (Pakistan Bureau of Statistics, 2023). In comparison, bilateral trade with the United States was around US\$7.5 billion during this period, with most of this trade being in the form of Pakistan's exports of textiles under the Generalized System of Preferences (Office of the United States Trade Representative, 2023). This imbalance inherent in economic ties – deep involvement of China, limited commercial engagement of the USA – mirrors and accentuates Pakistan's structural bend towards China.

6. Diplomatic Dimensions and Normative Alignments

6.1 Pakistan's Positioning in Multilateral Forums

Pak's diplomatic engagement with China has been reflected in every multilateral platform. Pakistan has also abided by China's interests in the United Nations on issues related to Taiwan, Hong Kong, Tibet and Xinjiang, and has not participated in Western-led condemnations of China's human rights record in these areas,

which is attributed to strategic considerations and to the constraints associated with economic dependence (Waseem, 2019). Pakistan's accession to the Shanghai Cooperation Organization (SCO) in 2017 has intensified its institutional ties with China and Russia, and diminished engagement with Western-oriented security architectures.

At the same time, Pakistan's interactions with the United States in the multilateral arena have continued, such as as a non-NATO ally, and as a participant in various UN peacekeeping operations. The dual positioning is indicative of the normative aspect of the hedging strategy adopted by Pakistan, which aligns itself with neither of the two superpowers but strives to represent a voice of the developing world that will interact pragmatically with all major powers (Chaudhry, 2019; Roy, 2021).

6.2 The Afghanistan Factor in Diplomatic Relations

For more than four decades, Afghanistan has been the biggest third party in the U.S.-Pakistan political equation. The biggest single irritant in the relationship between the US and Pakistan has been Pakistan's support for the Taliban, which is driven by the Pakistanis' need for "strategic depth" against India and a pro-Pakistani government in Kabul (Jones, 2009; Rashid, 2008). Multiple U.S. administrations have condemned Pakistani intelligence for sheltering Afghan Taliban and Haqqani Network, whereas Pakistani officials have said it is essential to balance U.S. influence in Afghanistan with Pakistani influence.

After the Taliban takeover in August 2021, Pakistan found itself in a predicament as a result of the US withdrawal from Afghanistan. On the other hand, a Taliban government in Afghanistan serves Pakistan's strategic-depth goal and diminishes the influence of Indians. However, the Taliban's inability to suppress the Tehrik-i-Taliban Pakistan (TTP), which has been perpetrating attacks on Pakistan, has pushed Islamabad into more strained relations with Kabul (International Crisis Group, 2023). China, which has also been diplomatically engaged with

the Taliban, is keen to Afghan stability, but has not been eager to become too close to a government Beijing fears will inspire Uyghur extremists in its own territory.

7. Pakistan's Hedging Strategy: Rationale, Implementation, and Limitations

7.1 The Logic of Hedging

The two relationships that Pakistan has with the United States and China at the same time is an example of a textbook application of the theory of hedging by Kuik (2008). This hedging strategy enables Pakistan to reap security benefits from the United States in terms of military hardware, intelligence sharing, and diplomatic support on multilateral platforms, while also capturing economic and military advantages from China through the CPEC investment and defense cooperation and transfers. The strategy is based on the principle of maintaining both relations without putting down any costs on Pakistan for its relationship with the other superpower.

There have been several structural reasons that have helped Pakistan to hedge. First, the United States and China have strategic interests of their own in cultivating a relationship with Islamabad: the US wants Pakistan to cooperate in regional counterterrorism and as a mediator in any US-China counterterrorism crisis; and China sees Pakistan as an ideal showcase for BRI, a route to the Indian Ocean, and a partner in South Asian regional affairs (Goh, 2005; Small, 2015). Secondly, Pakistan's nuclearization does provide a hedge against forced abandonment by either of the two great powers: neither Washington nor Beijing can risk the collapse of Pakistan's state stability because of the nuclear implications.

7.2 Increasing Limitations of the Hedging Strategy

In recent years, the room for good Pakistan hedging has decreased substantially as the competition between the two powers has escalated from strategic competition to what many experts have termed as a "systemic confrontation" (Campbell & Ratner, 2018; Allison, 2017). Washington has increasingly indicated that it will not be able to align with

China's BRI or wider strategic initiatives and offer the same level of security cooperation to Pakistan. The US suspension of F-16 maintenance support, and restrictions on technology transfers to Pakistan, are examples of a more punitive attitude toward Pakistani hedging than was observed during previous stages of the US-China competition.

The triangular relationship is also under pressure due to Pakistan's increasing economic dependency on China. A country's ability to credibly threaten closer alignment with the partner's rival is reduced when there is a massive debt to the partner and the partner provides critical infrastructure and energy to the country (Baloch, 2018). The public thanks given by the Pakistani officials to China and the comparatively limited criticism against Chinese policy in Xinjiang reflect the limits imposed on Pakistani diplomatic autonomy by its economic dependence on China (Waseem, 2019).

Moreover, domestic political turmoil has further weakened Pakistan's ability to maintain a coherent hedging policy. Political uncertainty, rapid change of governments and judicial activities to intervene in the politics of Pakistan make long-term strategic planning a tricky task. The impression of strategic inconsistency was created by the recalibration of the US and China relations that followed every change of government in Islamabad, with Imran Khan's government leaning more towards China and Russia, and the Sharif government more towards the US, diminishing Pakistan's credibility as a strategic partner of both the superpowers (Raza, 2021).

8. Implications of US-China Rivalry for Pakistan's Strategic Future

The structural dynamics of US-China relationship that are in the process of deepening competition through military, technological, economic and ideological fronts are posing some basic challenges for Pakistan's triangular maneuvering policy. Graham Allison's (2017) Thucydides Trap model, although disputed, describes a typical pattern of power tensions that is compelling third parties to make an alignment

decision that wasn't as pressing in a more multipolar setting.

The following four scenarios may be drawn out in Pakistan's strategic future. In the first scenario (continued hedging under strain) Pakistan continues to plough its own furrow of deep China partnership and residual US engagement, with the expectation that as the costs of the latter rise on the Pakistani side, it will gain American trust and technology while the former side will gain economic inputs. This is possible only as long as the US-China rivalry does not reach the level of a formal bloc. In the second scenario – China alignment – Pakistan officially or in practice becomes part of the Chinese strategic camp, giving up the hedging policy due to increasing dependency on CPEC and waning patience of the United States. This is an economic continuity scenario but it does not give strategic autonomy as valued by foreign policy elites in Pakistan.

In the third scenario, Pakistan proactively builds ties with other actors, such as Russia, Turkey, Gulf countries, the European Union etc., to lessen its reliance on Washington and Beijing, and diversify its hedges. Pakistan's membership in SCO, increasing rapport with Saudi Arabia and UAE, and participation in various multilateral economic initiatives, are signs of the initial steps in this direction. The fourth option (domestic reform for genuine autonomy) assumes that structural economic reform, fiscal stabilisation and good governance can lessen the aid dependency of Pakistan enough to give it strategic autonomy. This is the best case scenario, but also the most complex (Zaidi, 2018; Mukherjee, 2019).

The most likely short-term course of events is scenario one with an incremental shift toward scenario two as CPEC debt comes due, US strategic focus narrows to the Indo-Pacific and Pakistan's domestic situation becomes unstable, thereby reducing strategic recalibration options. The sustainability of this trajectory is dubious: Pakistan's economic development needs predictable and stable international relations, the triangular tension of which is increasingly becoming less predictable.

9. Policy Recommendations

The most pressing need for Pakistan is to scale down the conditions of structural reliance that jeopardize Pakistani strategic autonomy. This entails domestic fiscal reform to break dependence on external rentier relationships, diversification of foreign investment sources to reduce the concentration on CPEC, and renegotiation on the terms of the CPEC loans to reschedule debt services according to Pakistan's economic capacity. Pakistan needs to focus on developing relations with middle powers such as Turkey, Indonesia, Saudi Arabia, and the European Union who can offer strategic options to the US and Russia.

Pakistan's triangularism is also an issue that needs to be formalised by establishing mechanisms for handling the problem of Pakistan simultaneously with the American and Chinese concerns and not one at a time. A multilateral dialogue on regional connectivity, economic development and security could be a constructive format for both the super powers to engage with each other and help position Pakistan as a regional diplomatic hub and not a contested prize.

A more sustainable Pakistan policy for the United States should break away from the transactional approach of security trading for assistance to a development relationship that tackles Pakistan's structural economic weaknesses. More enduring bases of the relationship would exist than security assistance dependent on compliance with counterterrorism measures from Pakistan, if the U.S. private sector invested, extended trade preferences to Pakistan, and accepted support from multilateral institutions for economic reform rather than counterterrorism compliance. Washington should also realize that the China-Pakistan relationship is structural and can't be turned around by American pressure, but only secure Pakistan's autonomy so it can be made a weapon against the US core interests.

To realize this goal, sustainable CPEC has to be implemented through resolving Pakistani apprehensions regarding debt sustainability, repatriation of profits, and the effect on the Pakistani job market, which has resulted in

backlash at home. Pakistani stability is in China's long-term interests and it is best achieved through an economic partnership which is clearly seen to be working in the interests of the people of Pakistan rather than through financial deals which only benefit the strategic interests of the state.

10. Conclusion

Pakistan is in a position of being strategically leveraged and structurally vulnerable in the US-China-Pakistan triangle. For more than 70 years, Pakistan has masterfully harnessed the rivalry of the great powers by playing both sides to win. Pakistan has been adept at playing both sides against each other for more than seven decades, making itself indispensable to both only to cause neither to commit irrevocably. This hedging policy has helped Pakistan to safeguard its security and provide economic inputs which could not be generated in the country. But the viability of that strategy is always depended on a multipolar or contested international situation where both the superpowers respected the Pakistani alignment enough to provide them with competitive rewards.

This contingency is jeopardized by the fact that the US-China systemic rivalry is becoming more intense. As the rivalry between Washington and Beijing intensifies into a formal bloc, there becomes less room for credible hedging and the price of keeping both sides on board will increase. The increasing economic entanglements with China through CPEC further diminishes Pakistan's bargaining power with China and its attractiveness to the U.S., thereby contracting the triangle area of Pakistan's "hedging." The increasing economic entanglements of CPEC cuts down Pakistan's leverage with China and its credibility with Washington, thus shrinking the triangle space of Pakistan's "hedging."

However, the basic problem for Pakistani foreign policy in the coming decade is not so much the competition that is bound to arise between the two superpowers, but the structural weaknesses of the domestic economy – fiscal instability, governance issues and civil-military imbalance – that give rise to the conditions of dependence

that make strategic autonomy impossible. Economically resilient, politically stable and institutionally coherent Pakistan is a Pakistan that can play the game of superpowers on its own terms. Getting to that state is as much a domestic political and economic problem as it is a foreign policy one. Triangular relationship with China and the United States will remain a dominant force in Pakistan's external affairs but Pakistan's ability to manage it will be based on the choices to be taken within the country.

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