



## Pakistan’s Strategic Balancing between the U.S. and China in the 21st Century

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### ABSTRACT

Growing strategic competition between China and the United States has become one of the most prominent characteristics of modern international environment where middle and regional powers are forced to reevaluate their foreign policy priorities and alignment of their strategies. Based on the geostrategic positioning, the longtime security relationship with China and the important historic relationship with the United States, Pakistan is faced with the challenging task of juggling its interests among the two world superpowers. This paper reviews the issue of strategic balancing behavior by Pakistan in the twenty first century and evaluates how the political, economic and security aspects influence the foreign policy decisions of this country. The study design is a qualitative research design, where a documentary analysis of academic literature, government reports, and international strategic evaluations is used. Neoclassical Realism directs the research as it describes the interaction between systemic pressures created through great-power competition and domestic factors in shaping the state behavior. The results reveal that Pakistan has incorporated a pragmatic balancing policy which will maximize economic benefits, maintain security cooperation and a diplomatic flexibility to the increased competition between the U.S and China. Although China has emerged to be the main strategic and economic partner of Pakistan in terms of efforts like the China-Pakistan Economic Corridor (CPEC) the United States is still a significant figure in numerous elements of trade, regional stability, financial aid and foreign relations. The paper also reveals that Pakistan avoids side-by-side orientation towards either of the two powers and resorts to adopting a multidimensional foreign policy style aimed at securing the national interests and strategic autonomy. The study is able to conclude that the future success of foreign policy in Pakistan will lie in the capacity of the nation to maintain a balanced relationship between the two powers coupled with its capacity to well handle security issues in the region and the coming geopolitical trends. The paper makes a contribution to the existing literature of the strategic balancing, great-power competition and the South Asian foreign policy.



## **Introduction**

This has seen the twenty-first century being marked by a major shift in terms of the organization of the international politics as the shift towards a more competitive multipolar order and away from highly unipolar an organization takes place gradually. An intensification of strategic competition between the United States and the Peoples Republic of China is one of the most impactful processes in this changing geopolitical environment. After the easement of the cold war, the United States has been the world leader with undisputed military powers, economic as well as diplomatic influence and geopolitical coverage. The fast pace of the economic growth of China, its technological development, military modernization, and its growing prominence on the global stage have, however, altered the traditional balance of power and created a new period of a great-power competition (Allison, 2017; Ikenberry, 2018). The implications of this strategic competition are far reaching to the regional and middle powers who have relations with each of the two states and who want to protect their national interest in the changing geo political dynamics.

Pakistan is uniquely in this shifting international environment. Located on the crossroads of South Asia, Central Asia, The Middle East and China, Pakistan has a high degree of geopolitical importance. Being in a strategic location has historically led to attracting some interest of major powers and has rendered the country a significant participant on both regional and international politics. Since its independence in 1947, foreign policy of Pakistan has been supported and impacted by changing security issue, economic priorities and geopolitical developments of the region. As a result, Pakistan has built trust with various world forces in an effort to maintain its sovereign, security and economic strength (Siddiq, 2020).

The US and Pakistan have gone through a number of periods of cooperation and rivalry. Pakistan became a key strategic partner of United States during the war on communism by joining its allies in the security alliances funded by the west like the Southeast Asia Treaty Organization (SEATO) and the Central Treaty Organization (CENTO). The nature of this alliance was being influenced more due to the common strategic interests and issues in relation to the Soviet power and the issues of security in the region (Kux, 2001). It was further reinforced with the Soviet-Afghan War in the 1980s when Pakistan was at the heart of the U.S.-backed operations against the Soviet forces in Afghanistan.

However, in the aftermath of the Cold war the dynamics of Pakistan-U.S. relations wavered with uncertainty and mistrust. The issue of the nuclear program in Pakistan, sanctions sanctioned by the Pressler Amendment and the variation in strategic priorities helped to rise and fall in bilateral relations (Haqqani, 2013). The terrorist attacks of September 11, 2001, again put Pakistan into a higher level of strategic importance, as the nation became a significant partner in the War on Terror headed by the United States. Even though the two countries had collaborated intensively in counterterrorism efforts, it is important to note that the two nations had disagreements surrounding Afghanistan, drone strikes, and security matters in the region, which still strained the two nations (Fair, 2014).

Conversely, Pakistan has tended to have continuity, mutual trust and strategic cooperation in relations with China. Ever since the two countries began diplomatic relations in 1951, close cooperation between the two countries has been formed in the areas of defense, economic, political and diplomatic relations. According to scholars, the Pakistan-China relationship has been characterized as an all-weather strategic cooperative partnership because of its resilience and continuity despite dynamics in the international system (Small, 2015). China has also emerged as a

strategic ally of Pakistan and has helped Pakistan with military aid, infrastructural investments, technological integration and variety of diplomatic aid on major issues plaguing the region.

In 2015, the scale of bilateral cooperation greatly increased due to the introduction of the China-Pakistan Economic Corridor (CPEC). A major project of the Belt and Road Initiative (BRI) of China, CPEC is expected to strengthen the connectivity of the region, improve infrastructure, enhance energy production, and integrate the economy. The project has seen a lot of Chinese investment in Pakistan and enhanced economic contact between the two nations (Wolf, 2020). To Pakistan, CPEC is a major opportunity to deal with the infrastructure shortages, boost the economy, and improve the connectivity of the region on the trading front.

Expanding competition between China and the United States has its opportunities and challenges to Pakistan. China is on the one hand the key strategic partner of Pakistan and a great source of economic investment. Conversely, the United States has remained a significant stakeholder to international financial institutions, global diplomacy, regional security and trade. As a result, Pakistan has a difficult mission to strike a balance of trying to build a productive relationship with both the powers without endangering its strategic autonomy or national interests (Rana & Ali, 2022).

The theory of strategic balancing has been gaining more importance in explaining foreign policy behaviour in Pakistan. Strategic balancing is a process by which states adjust their relationship with the rival states to achieve the maximum benefits and limited the risks. Instead of taking a strict stand with a single dominant power, states tend to pursue a flexible approach in diplomacy modeled to maintain control of policy-making and guard their national interests (Walt, 1987). In the case of Pakistan, strategic balancing means having to negotiate the competing demands and interests of Washington and Beijing as it goes about seeking national security and economic development as well as regional stability.

A number of modern advances have inflated the significance of such a balancing policy. Pakistan has been impacted by the U.S. Indo-Pacific Strategy, increasing strategic cooperation between the United States and India, increasing Chinese influence with Belt and Road Initiative and a shift in security terms in Afghanistan, all affecting the foreign policy calculations (Pant and Joshi, 2022). The developments have produced a tricky strategic setting where Pakistan has to negotiate its ties with both super powers.

Although U.S. competition with China and the foreign relations of Pakistan have become the focus of increased scholarly attention, the existing research tends to study Pakistan–U.S. relations and Pakistan China relations individually. There is comparatively less emphasis on exploring the methods of how Pakistan balances between the two relationships in the greater context of the great-power competition. Also, a considerable amount of the literature is dedicated to certain policy issues e.g., security cooperation development, economic development or regional geopolitics without the provision of the overall evaluation of the strategic balancing behavior of Pakistan.

This study is important as it explores the foreign policy of Pakistan as a concept of strategic balancing. To comprehend the future development of the U.S. foreign policy and role in the region, it is vital to understand ways in which Pakistan has worked its way through the challenges and opportunities tied to U.S.China rivalry. In addition, the paper adds to larger discussions around the topic of middle-power diplomacy, strategic autonomy, and how great-power competition impacts developing countries.

## **Problem Statement**

A complicated foreign policy situation has been brought about by the growing strategic rivalry amid the United States and China to Pakistan. Although China is the main strategic and economic partner of Pakistan, the global superpower (United States) still remains a strong participant in the security of the region, international governance, and international economic institutions. It is not an easy task managing relations with one of the powers and at the same time maintain relations with the other one, all in one. Although a lot of scholarship has been devoted to the bilateral relationship between Pakistan and individual countries, there is sparse literature that explores the overall strategy that Pakistan has followed to balance between Washington and Beijing. Thus, one has to examine the politics of great-power rivalry and how Pakistan copes with them and how this balancing response affects its foreign policy and national interests.

## **Research Objectives**

The research aims at attaining the following goals:

- To discuss how the relations of the United States and China with Pakistan have evolved in the twenty-first century.
- To examine the political, economic and security forces behind the strategic balancing behavior of Pakistan.
- To assess how strategic balancing may have consequences on foreign policy and national security goals of Pakistan.

## **Research Questions**

The research questions are:

- What has been Pakistan vision and approach in its strategic relationship with the United States and China in the twenty first century?
- How does the politics, economy, and security impact the strategic balancing between Washington and Beijing and Pakistan?
- How would such balancing strategy of Pakistan have an implication on its foreign policy and national security agenda?

## **Research Hypotheses**

- The national security and economic interests are the main factors behind the strategic balancing between the United States and China in the case of Pakistan.
- By balancing efficiently, Pakistan can get the maximum benefits in diplomacy, economic and security at the least risks in terms of geopolitical risks.

The later in this paper discusses the background literature on strategic balancing and great-power competition, define the gap in scholarly knowledge, formulate a theoretical framework using the Neoclassical Realism theory and examine a case of balancing strategy of Pakistan using qualitative research techniques.

## **Literature Review**

The rise of China as a superpower in the world system and the fact that the United States remains the powerhouse in the global system have changed the strategy of the twenty-first century. The intensifying rivalry between Washington and Beijing has had a tremendous effect on the foreign policies of regional and middle powers and that too in geopolitically sensitive regions. Pakistan with its strategic position and years of involvement in the relations with both states turned out to be

an essential case study in the way how states manage great-power conflicts. This notion of strategic balancing offers a handy conceptual lens through which to consider the efforts by Pakistan to sustain fruitful relations with both powers and at the same time to ensure the national interests.

This literature review will be based on theoretical and empirical literature on the aspects of strategic balancing, great-power competition, Pakistan and United States relations and the behavior of the Paul Pakistani foreign policy. The review outlines key areas of scholarly debate, reviews the current study, and proposes areas to be filled in the future.

### **The balance of power on the global level.**

Strategic balancing is in the center of the literature on international relations. According to traditional realist theorists the response of a concentration of power between states is the formation of allies or taking up of policies aimed at avoiding subjugation by more powerful states (Waltz, 1979). The balance-of-power theory suggests that states aim to preserve balance in the international system through countering the emergent threats and strategic freedom.

This argument was developed further by Walt (1987) with his Balance of Threat Theory, a theory asserting that states balance with regard to the sensed threats and not power per se. Military capability, geographical proximity, offensive intentions, and aggregate power are some of the factors that determine threat perceptions. As a result, states embrace pursue flexible foreign policy strategies in order to cope with external pressure and maximize national interests.

Modern researchers have brought out more subtle ideas like hedging and strategic balancing to explain the practice of the middle powers that have to confront the rival major powers. According to Kuik (2021), strategic balancing consists in the fact that several powers were engaged at the same time, without over-reliance on any of the actors. In such strategies, states are able to achieve economic, diplomatic and security gains with competing powers besides reducing the geopolitical risks.

A number of studies underscore the fact that strategic balancing has gained significance in Asia amid the increasing competition between the United States and China (Goh, 2016). In order to maintain flexibility and autonomy in their foreign policy, countries often use balancing strategies in countries like Pakistan, Vietnam, Indonesia, and Singapore.

### **Theoretical views of Great-Power Competition.**

The current rivalry between the United States and China has raised a great deal of scholarly discussion on the future of the international order. Realist experts believe that the upsurge of China is a structural challenge to American hegemony and will most probably consolidate geopolitical oppositions (Mearsheimer, 2014). Offensive realism postulates that the increasing powers will automatically have the desire to have a higher influence while the powerful countries are trying to maintain their status quo in the international system.

This debate has been popularized by Allison (2017) in the form of the so-called Thucydides Trap, which suggests that rivalry between the emerging and the old powers often results in war. Despite the fact that a significant number of scholars are divided on the appropriateness of the inevitability of confrontation, there is a widespread opinion that U.S. China struggle is one of the main characteristics of the new international politics.

Another view is presented by liberal institutionalists, who underline that economic interdependence and international institutions are the tools capable of alleviating conflict among

major powers (Ikenberry, 2018). Recent events however, such as trade wars, technological rivalry, modernization of armies and competing regional policies indicate that the dynamics of strategic rivalry still defines the international politics.

To the middle powers like Pakistan, this rivalry has provided opportunities and limitations. Although competition among great powers can bring about economic and diplomatic gains to the nation, it creates more pressure on the smaller states to become allies to either of the sides.

### **Pakistan–United States Relations in the Twenty-First Century**

The relations between Pakistan and the United States have been one of the most studied areas of South Asian International relation. Over the years, the two have enjoyed cordial relations that could be described as one of close cooperation and then periods of tension and mistrust (Kux, 2001).

After the events of September 11, Pakistan became a direct ally in the War on Terror, led by the U.S. The alliance brought about extensive military support, economic aid, and intelligence cooperation. In the period between 2001 and 2021, Pakistan was facing substantial financial aid that helped it on counterterrorism, and stability in the region (Haqqani, 2013).

Nevertheless, researchers claim that the interaction was only transactional and not strategic. Fair (2014) argues that a lack of agreement on the reassessed Afghanistan, counterterrorism policies, drone strikes, and the area security brought about a recurrence of tensions. The U.S. policies were frequently seen by Pakistan as having been inconsistent and short-term security orientated whilst American policymakers were concerned at Pakistan policies and priorities in the region.

Another twist in the bilateral relations came with the withdrawal of U.S. troops in Afghanistan in 2021. A number of observers believe that Pakistan became less strategically significant to the US after the military campaign was over even though the two countries continue to cooperate in such areas as regional stability, commerce, climate change, and counterterrorism (Tellis, 2022).

Recent scholarship postulates that the United States is still a significant participant in the foreign policy of Pakistan despite the challenges. The U.S. remains a key player in the global system of monetary institutions, world governance systems, and regional security systems that directly influence the strategic interests of Pakistan (Rana and Ali, 2022).

### **Twenty-first Century Pakistan China relations.**

The Pak-China relations have compared to the Pak-United States relationship that has been varying over time. The two countries have been closely assisting in terms of political, economic, and security cooperation since the diplomatic relations were established in 1951 (Small, 2015).

Resistance in all-weather conditions through a changing geopolitical environment has made scholars often describe the relationship as an all-weather strategic partnership. Over the decades, China has been offering Pakistan military aid, diplomatic aid, investment in infrastructure, and collaboration in technology (Garlick, 2020). The initiation of the China-Pakistan Economic Corridor (CPEC) is something that has attracted the most attention in terms of the bilateral relations during the twenty-first century. Introduced in 2015 as a flagship project of China's Belt and Road Initiative (BRI), CPEC aims to improve transportation networks, energy infrastructure, industrial development, and regional connectivity (Wolf, 2020).

Studies report that CPEC has not only boosted the economic relationship between the two nations but also increased the strategic presence of China in South Asia. The proponents state that the

program provides Pakistan with important economic development prospects, creation of jobs, and upgrades of the infrastructure (Garlick, 2020). However, critics have raised issues about the sustainability of debts, governance issues and geopolitical consequences that come with the large-scale Chinese investment. In spite of all these arguments, the majority of scholars concur that China has come to be the most critical strategic and economically of Pakistan in the modern age.

### **Pakistan Strategy of Balancing with Washington and Beijing.**

An emerging area of research studies Pakistan in its attempts to juggle its relations with the two powers at the same time. As opposed to the classic behavior of the alliance, the foreign policy of Pakistan is more and more more balanced in order to gain the greatest benefits without being overly dependent on any of the countries (Siddiqi, 2020). A number of scholars believe that, the balancing strategies of Pakistan are not influenced by ideological alignment but more by the national interest factor. Although China offers vital economical investment and strategic partnership, the United States is significant in terms of trade, diplomacy, international financial assistance, and international institutions (Rana and Ali, 2022).

Khan and Afridi (2023) share a vision that Pakistan wants to keep positive relations with both giants by decoupling economic collaboration and competition in the geopolitical arena. This strategy enables Pakistan to enjoy the advantages of Chinese investment and stay in touch with Western institutions and the international markets.

The literature also indicates that Pakistan has drifted towards a multidimensional foreign policy with strategic independence. Instead of people of Washington and Beijing opting to either one or the other, policy makers are trying to develop diversified cooperations to give them a better economic prospects and security cooperation.

### **Major Scholarly Debates**

A number of significant debates arise out of the literature.

The first discussion relates to the claim of whether Pakistan is heading towards undue reliance on China. According to the critics, opening up the Pakistani economy to CPEC can make Pakistan too dependent on the Chinese (Garlick, 2020). Proponents refute that Chinese investment is an answer to urgent infrastructural demands and helps in economic growth. The second argument revolves around the prospects of the relation between the United States and Pakistan. Other researchers argue that the relationship has only entered a phase of decline due to the withdrawal of Afghanistan (Tellis, 2022). Instead, others report that the transformation of regional dynamics can open up various possibilities of co-operation in the trade and technology, climate policy and regional security. A third debate is the sustainability of strategic balancing as such. As long as balancing helps Pakistan gain the maximum benefits of both powers, it can become increasingly polarized in foreign politics, and maintaining such strategies can become increasingly challenging with time (Kuik, 2021).

### **Critical Analysis of Existing Literature**

The literature reviewed gives a good understanding of foreign relations of Pakistan and strategic environment of Pakistan. Nonetheless, there are various shortcomings that are visible.

To start with, most of the studies discuss Pakistan-China and Pakistan-United States relations in isolation instead of looking at them under a common perspective of balance between the strategies. This divide restricts knowledge of the concurrent control of both relationships by policymakers. Second, much of the literature emphasizes bilateral matters like security cooperation, economic

investment, or foreign policy intercourse without reflecting on their interplay in terms of overall foreign policy strategies. Third, there are not many studies that use Neoclassical Realism to comprehend balancing behavior of Pakistan. The current literature tends to be based on more conventional notions of realism and ignores the importance of domestic politics, perceptions of leadership and financial limitations.

### **Research Gap**

An insightful examination of the literature available shows that, significant academic focus has been directed towards Pakistan United States relations, Pakistan China relations, China Pakistan Economic Corridor (CPEC) and overall ramifications of U.S China strategic competition. The involvement of Pakistan in the War on Terrorism, the expanding economic and strategic power of China in South Asia, and the evolving dynamics of the great-power rivalry in the Indo-Pacific region have all been widely studied (Fair, 2014; Small, 2015; Wolf, 2020). In a similar way, the economic, political, and security aspects of foreign policy in Pakistan have received an increasing amount of literature discussing the developments under the scope of the emerging geopolitical changes (Siddiqi, 2020; Rana and Ali, 2022).

In spite of such valuable contributions, there are a number of key gaps that exist in the body of knowledge. To start with, the literature examining the relationships between Pakistan and the United States and those between it and China address the countries as distinct entities of study. The relationships between Pakistan and the U.S. are mostly two studies on security cooperation, anti-terrorist collaboration, military support, and diplomatic tensions (Haqqani, 2013; Fair, 2014). On the one hand, the literature on the relationship between Pakistan and China mostly focuses on the strategic partnership, economic investment, military cooperation, and the China-Pakistan Economic Corridor (Small, 2015; Garlick, 2020). Although such studies give vital information, they seldom look at how Pakistan is able to balance the two relations in a wider context of strategic balancing. Consequently, the problem of interdependence of the Pakistani relationship with Washington and Beijing is still under-researched.

Second, the literature has generally paid a lot of attention on bilateral relations; today, it is not necessary to highlight the impact of competition between the U.S. and China on geopolitical environment. The two powers rivalry has become among the features of the modern world politics, regional security systems, economic relations and diplomatic alliances. But at the same time, there are very few studies that examine the influence of this rivalry on the foreign policy decisions and strategic decision-making of Pakistan. As a result, the research that would put the foreign policy of Pakistan in the context of great-power competition is needed.

Third, much of the existing literature was composed earlier than some of the key geopolitical events, including the growth of the Belt and Road Initiative by China, the U.S. Indo-Pacific Strategy, the U.S. withdrawal of its forces in Afghanistan in 2021, and the developing strategic alliance between the United States and India. These changes have changed the balance of power in the region and provided a novel challenge to Pakistan foreign policy. As such, previous literature might not completely reflect the current realities affecting the strategic balancing behavior of Pakistan (Tellis, 2022).

Fourth, much of the available literature focuses on either of the two aspects of the foreign relations of Pakistan that is, economic relation and the security aspect overlooking the interplay of the two aspects. Multiple factors impact the strategic balancing strategy of Pakistan, such as the requirements of its economic development, national security, stability of the region, diplomatic interest, and political issues at the local level. These dimensions do not exist independently and

therefore in order to provide a complete understanding of the foreign policy in Pakistan, they have to be analysed as a combination.

Fifth, application of Neoclassical Realism in the explanation of the balancing strategy of Pakistan is still limited. Other analyses use the traditional views of realism that are majorly based on systemic pressures and power politics. Although such strategies offer useful insights, they tend to ignore the effect of domestic factors like perceptions of leaders, economic factors, institutional abilities and inner political factors. The concept of neoclassical Realism is more complete as it connects international pressures imposed by the structural aspect to domestic-level forces that influence foreign policy choices (Rose, 1998; Ripsman, Taliaferro, and Lobell, 2016).

The second significant void is connected to the notion of strategic autonomy. According to existing studies, there are many talks about the alliances that Pakistan has had with both China and the United States but with little insights on how Pakistan tries to maintain a sense of independent decision-making in the face of competing external influences. Dynamics between external partnerships and a policy-making callume is core to several questions of effective assessment of the foreign policy strategy by Pakistan since it is believed to hold an effective and sustainable relation with the outside world.

Moreover, the long-term effect of the balancing strategy on the security of the region, economic growth and diplomatic power of Pakistan has not been adequately discussed in the recent scholarship. As much as strategic balancing might offer short term gain, questions still exist on the sustainability in the ever-polarizing international system where major powers might require more alignment among their allies.

Against these restrictions, the current research aims at filling the above gaps by offering a thorough examination of strategic balancing of the United States and China in the twenty-first century in Pakistan. As opposed to other past studies where emphasis is laid more on bilateral relationships, this study looks at how Pakistan balances its relations with both the powers in the greater framework in the context of great-power competition. The paper also unites the political, economic, and security aspects into one crucial analytic approach and uses the Neoclassical Realism about how systemic pressures interrelate to domestic interests.

The research paper makes contributions in three significant aspects to the current literature. To begin with, it makes a fresh evaluation of the foreign policy of Pakistan within the modern geopolitical context. Second, it provides a comprehensive approach to the analysis of the strategic balancing combining both economic, political, and security approaches. Third, it contributes to theoretical knowledge of Neoclassical Realism by using the approach to predict the foreign policy behavior of Pakistan in the age of increasing competition between U.S. and China.

The study, therefore, contributes to the body of knowledge in the area of strategic balancing and middle-power diplomacy and foreign policy decision-making as well as offers policy-relevant considerations in the changing role that Pakistan plays in the new international order.

## **Theoretical Framework**

Theoretical framework, as a conceptual framework, gives a conceptual basis of explaining as well as interpreting the relationship between variables in a research study. Theories prove useful in international relations and foreign policy analysis in order to understand why states act in a specific manner in response to the evolving geopolitical situation and external pressures. As this paper focuses on exploring the concept of the strategic equilibrium of Pakistan amongst the United

States and China in the twenty first century, Neoclassical Realism is used as the theoretical foundation.

### **Neoclassical Realism**

As a reaction to the shortcomings of structural realism, neoclassical Realism manifested itself in the 1990s. Although Structural Realism by Kenneth Waltz describes the behavior of states as influenced largely by how power is distributed in the international system, critics claimed that states that are facing the same external circumstances tend to have different foreign policies (Waltz, 1979). Neoclassical Realism was proposed by Gideon Rose (1998) in order to overcome this limitation by incorporating the systemic pressures together with domestic intervening variables. The Neoclassical Realism postulates that the international system creates opportunities and limits to states, though policymakers filter these values and react to them via their domestic political and institutional matters. Hence, external and internal factors determine the outcomes of foreign policy.

### **The theory supposes that**

- The international system is still anarchic.
- States are interested in maintaining both national interests and security.
- Relative power has a bearing on the state behavior.
- Local forces produce reactions to foreign forces through domestic variables.
- The outcomes of foreign policy are a product of systemic and domestic interaction factors.

With such assumptions, Neoclassical Realism would be a very helpful theory in studying the responses that Pakistan would have to the growing competition between the United States and China.

### **Basic postulates of Neoclassical Realism**

The International System is the main Mover

Neoclassical realists are in agreement with the traditional realists that the international system does affect the behavior of states. The increasing strategic competition between China and the United States has generated external forces that inform the foreign policy of Pakistan. The emergence of China and the relative weakening of unipolarity have shifted power relations in the region, and states are forced to reassess their strategic positionings and priorities in diplomacy (Ikenberry, 2018).

### **The Central Objective, which is National Interest**

States are characterized by policies that are aimed at ensuring a maximization of security, economic prosperity and political stability. The Pakistani/ US and Pakistani/Chinese interactions indicate a move towards pursuing national interest instead of ideology.

### **Domestic Factors Matter**

As opposed to structural realism, the Neoclassical Realism focuses on the significance of domestic factors. The policymakers view the external threats and opportunities in domestic political, economic and institutional terms.

In the case of Pakistan some of the factors include:

- Economic development requirements.

- Security concerns.
- Civil-military relations.
- Leadership perceptions.
- Public opinion.

All of them have an impact on foreign policy decision-making.

### **Strategic Flexibility**

States do not remain inactive. They will use methods where they make the most out of it and minimal risks. The concept of strategic balancing is thus seen as an objective reaction to counteracting external forces.

### **The Neoclassical Realism applied in relation to Pakistan**

The foreign policy of Pakistan is a good example of the Neoclassical Realist behavior. The nation is set in a global landscape that is gradually being influenced by U.S. consensus and strategic rivalry between China and the United States. Both forces have great control of the economic, political and security interest of Pakistan.

### **Pakistan suffers a number of external realities in a systemic perspective**

- The emergence of China as a world power.
- Increased U.S. India strategic partnerships.
- Unstable politics in South Asia.
- Contest in the Indo-Pacific.
- Economic globalization.

These changes provide possibilities and restrictions, which shape decisions made in foreign policy.

The reactions of Pakistan, however, are also influenced by domestic issues. The concerns of economic issues, infrastructure demands, security interests, and development requirements influence the nature of the relationships between policymakers and both powers.

As an illustration, the involvement of Pakistan in the China–Pakistan Economic Corridor (CPEC) is an indicator to pay attention to the domestic economic interests it should be able to increase infrastructure and energy security and industrialization. At the same time, the ongoing interaction with the United States represents the issue of trade and other financial institutions, diplomatic influence, and security of the region.

Thus, Pakistan is not merely the resultant reaction to external pressures, but it makes policies that reflect the conception and perception of external pressures within the country by domestic actors.

### **The U.S.–China Strategic Competition**

strategic competition between China and United States has been growing and is the independent variable of this study.

This competition includes:

- Economic rivalry.
- Technological competition.
- Military modernization.
- Regional influence.
- Diplomatic competition.

- Competing strategic initiatives.

**Examples include**

- Belt and Road Initiative by China (BRI).
- U.S. Indo-Pacific Policy.
- Rivalry with other actors in global institutions.
- Expanding strategic partnerships.

These changes pose external sources of pressure that affects the foreign policy of Pakistan.

**Pakistan's Strategic Balancing**

The strategic balancing behavior of Pakistan is the dependent variable.

This includes:

- International relations with both of the powers.
- Economic cooperation.
- Security partnerships.
- Foreign policy decision-making.
- Strategic autonomy.
- Regional diplomatic initiatives.

Pakistan wants to have good relations with both of them without forming too close ties with either of them.

**Intervening Variables**

The Neoclassical Realism argues that there are a number of domestic factors, which do affect the correlation between the external pressures and the foreign policy outcomes.

**Economic Factors**

The economy of Pakistan is a factor that impacts the foreign policy to a great extent.

- These include:
- Foreign investment.
- Trade opportunities.
- Infrastructure development.
- Energy security.
- Financial assistance.
- Security Considerations

**Foreign policy has greatly been dictated by national security**

These include:

- Defense cooperation.
- Counterterrorism.
- Regional stability.
- Strategic deterrence.
- Leadership Perceptions

**International developments are viewed differently by the political leaders.**

- Their perceptions influence:
- Threat assessment.
- Strategic priorities.
- Diplomatic initiatives.
- Institutional Capacity

**There is influence of state institutions in the decision making in foreign policies.**

These include:

- Foreign Ministry.
- Military institutions.
- Economic planning agencies.
- Diplomatic networks.
- Conceptual Framework

This research work hypothesizes that increased competition between the U.S. and China poses strategic pressure such that it affects the foreign policy decision-making in Pakistan. These pressures however pass through the lens of domestic economic, political and security factors before delivering the final results in form of foreign policy.

### **Figure 1: Conceptual Model**

Independent Variable

U.S.–China Strategic Competition

↓

Intervening Variables

Economic Needs

Security Requirements

Leadership Perceptions

Institutional Capacity

↓

Dependent Variable

Pakistan's Strategic Balancing

↓

- Foreign Policy Outcomes
- Strategic Autonomy
- Economic Cooperation
- Diplomatic Flexibility
- Security Partnerships
- Regional Stability

The model shows that the balancing strategy in Pakistan is a product of interaction between the international structural pressures and considerations within its borders.

### **Applicability of Neoclassical Realism to the Study**

The application of Neoclassical Realism in the context of Pakistan is especially pertinent as it explains the rationale behind Pakistan not adopting a solely US or exclusively Chinese orientation as the two giants are getting progressively more at odds.

Classical realism would forecast greater marginalization towards the other power in terms of security interests only. But the foreign policy of Pakistan proves to be more complex. The nation is at the same time in search of:

Economic collaborations with China.

- Foreign policy with the United States.
- Strategic autonomy.
- Regional stability.
- National security.

This complexity is embodied in the use of both international and domestic variables as Neoclassical Realism appreciates the significance of both.

The theory thus gives us a detailed approach to the strategic balancing behaviour of Pakistan and how it can be assessed in regards to its foreign policy implications and the security of the nation.

### **Material and Methods**

This paper applies qualitative research to investigate the strategy of balancing between the United States and China that Pakistan is practicing in the twenty first century. Qualitative research is especially suitable to study its effect on foreign policy behavior, the decisions of different strategies and international politics as it enables one to explore deeply political phenomena that cannot be considered well only with quantitative indicators (Creswell and Creswell, 2018). As the paper aims to determine the reasons behind the choices of foreign policy, strategies and implications, code qualitative method offers the flexibility, which is required to examine various political, economic, and security aspects of the foreign policy choices made by Pakistan during the great-power rivalry.

### **Discussion**

In this section, the findings of the thematic analysis of the literature review on scholarly articles, policy reports, government-related reports, and other international strategic evaluations are introduced. The results are presented in the research objectives, and research questions of the study. This analysis shows that Pakistan has implemented an approach to great-power relations which is more pragmatic and flexible to deal with both the United States and China as the world is becoming more hitched on great-power rivalry. Instead of seeking to go either way on power, Pakistan aims to maximize on the positive economic, diplomatic, and security gains coupled with still maintaining strategic autonomy.

Analysis revealed five main themes:

- I. The development of Pakistan-United States and China Strategic Relations.
- II. Drivers of Economic Strategic Balancing.
- III. Security Concerns and Geopolitics.
- IV. Tactical Independence and Political Nimbleness.
- V. Problems and Future of Strategic Balancing.

These themes give the reader information as to how Pakistan manages to find its way in the dynamics of the modern international politics and react to the changing geopolitical situation.

**Pakistan-Strategy of Evolution of Strategic Relations with the United States and China.**

The results indicate that the relationship between Pakistan and the United States and China has changed greatly in the twenty-first century. It is also true that both relations are vital however, the nature and the importance of each one vary significantly. Historically, the relationship between Pakistan and the United States has been molded by cooperation in matters of security, issues of regional stability and in counterterrorism. After September 11 attacks, Pakistan has been a critical partner in the War on Terror led by the U.S, and has been given a massive military and economic aid (Haqqani, 2013). Nevertheless, the partnership was also marked by periodic conflicts on matters like Afghanistan, drone attacks and the local strategic interests (Fair, 2014).

On the contrary, Pakistan has been gradually increasing its relationship with China in various sectors. The strategic collaboration has progressed beyond the defense and diplomatic assistance to encompass and facilitate infrastructural development, trade, exchange of technology and economic investment. The signing of the China Pakistan Economic Corridor (CPEC) played a key role in enhancing cooperation between the countries, as well as changing the role of China in the developmental plan of Pakistan (Wolf, 2020).

**Table 1: Evolution of Pakistan’s Relations with the United States and China**

<b>Dimension</b>	<b>United States</b>	<b>China</b>
Security Cooperation	Counterterrorism and military assistance	Strategic defense partnership
Economic Relations	Trade and financial institutions	Infrastructure investment and CPEC
Diplomatic Support	Regional engagement	Consistent political support
Long-Term Trend	Fluctuating relationship	Expanding partnership

The results show that Pakistan is growing to see China as a strategic long run ally but still appreciates the need to have positive relations with the United States.

**Strategic Balancing Drivers of an Economic Nature.**

One of the most influential factors that affected the strategic balancing behaviour of Pakistan turned out to be economic considerations. The results have shown that the economic problems facing Pakistan such as inadequate infrastructure, energy scarcity, foreign debt crises, and development agendas have been very influential in influencing the foreign policies. There has been massive foreign direct investment in China in the form of CPEC and similar Programs. Transport infrastructure, energy, industrial zones, and routes on which Chinese investments have been made have enhanced economic ties between the two nations (Garlick, 2020).

**Table 2: Economic Factors Influencing Strategic Balancing**

<b>Economic Factor</b>	<b>Impact on Foreign Policy</b>
CPEC Investments	Strengthened China partnership
Trade Access	Continued engagement with the United States
IMF and World Bank Support	Importance of Western cooperation
Infrastructure Development	Increased Chinese economic role
Export Opportunities	Diversified foreign policy approach

These results substantiate Hypothesis 1 that suggests that economic factors play a major role with respect to strategic balancing behavior in Pakistan.

### **Security Concerns and Geopolitics.**

Another critical determinant of the balancing strategy of Pakistan is security concerns. It is ended in the study that the regional security processes including other countries such as India, Afghanistan and the larger South Asian geopolitical are still playing the role in calculating the foreign policy of Pakistans.

The most crucial strategic security partner of Pakistan is China. Cooperation in defense involves not only military technology transfer, joint projects in production but also defense procurement, and also diplomatic assistance in the security matters in the region (Small, 2015). This collaboration brings a lot of deterrence towards Pakistan and the overall security interests of Pakistan.

Meanwhile, Pakistan also understands the significance of stable relations with the United States because of the role Washington has in the organization of the security situation in the region, the combating of terrorism, and even the international views on diplomacy. Despite the change in military cooperation being less than in the post-9/11 era, the security engagement continues to be pertinent in various aspects.

**Table 3: Security Factors Affecting Strategic Balancing**

<b>Security Variable</b>	<b>Strategic Importance</b>
India–Pakistan Rivalry	Major driver of foreign policy
Defense Cooperation with China	Strategic security support
Afghanistan Stability	Regional security concern
U.S. Regional Influence	Diplomatic and security relevance
Counterterrorism Cooperation	Shared security interests

These results indicate that security issues are still influencing the strategic at calculations of Pakistan and the reason as to why there should be a balanced approach in engaging both powers.

### **Strategic Independence and Diplomatic latitude.**

One of the major results of the research is the focus of Pakistan on strategic autonomy. Instead of deciding on whether to align to the United States or China, Pakistan aims at maintaining policy flexibility and not to get too tied to any given power.

The analysis reveals that Pakistan becomes more likely to follow multidimensional foreign policy making it focus on collaboration with numerous partners. This approach will help policymakers to advance national interests with minimal risks on geopolitical polarization. Recent diplomatic activities indicate moves towards further enriching the ties with China and the United States besides a move to the Middle East, Central Asia, Europe and other parts of the world. This kind of diversification is an effort to minimize the vulnerability and increase foreign policy independence.

**Table 4: Indicators of Strategic Autonomy**

<b>Indicator</b>	<b>Foreign Policy Objective</b>
Diversified Partnerships	Reduced dependence
Balanced Diplomacy	Strategic flexibility
Multi-vector Foreign Policy	Enhanced autonomy

Economic Diversification	Greater resilience
Regional Engagement	Broader diplomatic options

These results also support the thesis of Neoclassical Realism that puts the domestic interests and perceptions of leadership in the context of foreign policy reactions to international pressures (Rose, 1998).

### **Problems and Future outlook of Strategic Balancing.**

Although the balancing strategy of Pakistan has its positive aspects, it has a number of limitations. The results suggest that the ongoing intensification of the U.S. and China competition can decrease the strategic room that the middle powers between the two countries have to balance the relations.

The spread of the U.S. Indo-Pacific Strategy, the strengthening of U.S.s strategic cooperation with India, and the widening of the role of China in the region cause conflicting demands that can potentially put more pressure on Pakistan to define its strategic priorities (Pant and Joshi, 2022). Another great challenge is economic vulnerabilities. Foreign policy may not be able to pursue its agenda due to reliance on third-party financing, trade relations, and foreign investment. Moreover, the instability of the region and fluctuating world economic conditions would also hinder the balance in dealing with various powers.

**Table 5: Challenges to Pakistan’s Strategic Balancing**

<b>Challenge</b>	<b>Potential Impact</b>
Intensifying U.S.–China Rivalry	Reduced diplomatic flexibility
Economic Vulnerabilities	Foreign policy constraints
Regional Security Tensions	Increased strategic pressures
Geopolitical Polarization	Balancing difficulties
External Expectations	Alignment pressures

However, the results point to the fact that strategic balancing is the most possible variant of foreign policy which Pakistan can have in the given international circumstances.

### **Conclusion**

The paper has analyzed how Pakistan balances its strategic relations with the United States and China in the twenty first century in the context of Neoclassical Realism. The results indicate that Pakistan has assumed a pragmatic approach of foreign policy with an interest of ensuring it has good relations with both powers without compromising on its national interests. Several factors have changed the traditional marriage between China and Pakistan: China has become the key strategic and economic partner especially under the umbrella of China-Pakistan Economic Corridor (CPEC), but still, the United States continues to play a role of significance in trade, diplomacy, regional security, and the international financial institutions. The paper also shows the balancing policy of Pakistan is mainly determined by the need to develop economically, security, and the need to maintain strategic independence in the light of the growing U.S. competition with China. In general, Pakistan would like to take the best prospects in both the relationships without directly adhering to either of the powers.

### **Recommendations**

Balance Diplomacy: Pakistan must keep up yet a balanced foreign policy that does not have overreliance on a particular major power.

- Apply strengthening Economic Diversification: Pakistan should take advantage of investments made in China and increase trade and investment relationships with the United States and other foreign countries.
- Strengthen Strategic Independence: No longer disrupt national interests by allowing geopolitical pressures to shape foreign policy decision-making.
- Stabilize the Region: Pakistan must aim at encouraging the regional cooperation processes that would lead to peace, economic linkages, and sustainable development.
- Proliferate Multilateral Response: Pakistani diplomatic position can be empowered by participating in international and regional institutions and organizations so as to curb strategic vulnerability.

**The study has several limitations:**

The research rests mainly on qualitative analysis, and secondary sources of data. This may diminish the richness of empirical information because the research does not include primary information, including interviews with policy-makers and diplomats. Future studies can adopt the use of mixed methods in their assessment of the aspects of strategic balancing behavior in Pakistan.

**Future Research Directions**

Future research should also investigate how the emerging geopolitical events, such as the Indo-Pacific Strategy, the dynamic relationship between China and the U.S. and efforts at economic integration in the region affect the foreign policy of Pakistan and its strategic orientation.

Conclusively, the capacity of Pakistan to effectively balance its relationship between the United States and China will continue to play a pivotal role in realizing its long term foreign policy interests, economic growth ambitions as well as national security concerns in the ever more competitive international system.

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