

Pakistan's Balancing Act: Navigating US-China Rivalry in South Asia

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Abstract

The intensifying rivalry between the United States and China in South Asia poses significant challenges and opportunities for Pakistan, compelling it to perform a multifaceted balancing act in its foreign policy. As both global powers vie for strategic dominance in the region, Pakistan finds itself in a unique yet precarious position due to its longstanding ties with US and China. This study investigates the historical trajectory and strategic interests of these two powers in South Asia, focusing on how their competition shapes regional dynamics and impacts Pakistan's foreign policy choices. Through an in-depth examination of the evolving US-China rivalry, this research analyzes the dual pressures faced by Pakistan and evaluates the delicate diplomacy required to maintain strategic equilibrium. The study underscores the importance of a balanced approach that enables Pakistan to safeguard its national interests without antagonizing either power. It further explores how Pakistan can leverage its relationships with both world powers to stimulate economic recovery, enhance its regional and global standing, and ensure long-term national security. Overall, the study aims to enrich the understanding of regional security and global power dynamics, while emphasizing how Pakistan can strategically position itself to derive maximum benefit amid shifting international alignments.

INTRODUCTION

The deteriorating relationships between the US and China pose great challenges for Pakistan, particularly in South Asia, where they are striving for dominance (Javed et al., 2025). The intensifying US relationship with India, the emerging competitor of China, adds to Pakistan's reservations. The future of the US-Pak relationships will largely depend upon the US interactions with China and India. The Biden administration has adopted, Trump's less confrontational and less aggressive policy towards China (Schulenburg, 2023). But enhancing ties between the US and China are still the biggest concern for China's increasing influence in South Asia.

For Pakistan, it is significant to foster positive ties with the both, necessitating a pragmatic approach to maintain strategic balance. Though Pakistan prefers to remain neutral, the growing US-India strategic ties may force it to choose sides. However, Pakistan should continue efforts to maintain relationships with both the US and China to secure its national interests. The unconditional support from the US to India may push Pakistan into difficult and challenging positions (Raghavan, 2009). Pakistan is making efforts to balance its relations with both the United States and China amid their rivalry in South Asia, which involves a combination of strategic diplomacy, economic cooperation, and security considerations.

Strategic Importance of Pakistan in South Asia

Pakistan occupies a position of critical strategic importance in South Asia—a region that holds immense global value due to its geographic location, population, and fast-growing economies, making it a magnet for global trade and investment (Husain, 2024). Comprising eight distinct nations, South Asia has emerged as a center of international focus, especially due to its enduring security

concerns,

including terrorism and unresolved territorial disputes.

Since the collapse of the Soviet Union, South Asia's geopolitical relevance has increased significantly, attracting the contending interests of the United States and China. Their intensifying rivalry—reflected in military alliances, economic investments, and diplomatic initiatives—has transformed the region into a strategic arena for global power politics. In this context, Pakistan stands out as a key player due to its geographic positioning, historical alliances, and growing influence, making it a pivotal state in shaping the regional balance of power.

For China, Pakistan is central to its South Asian strategy and a flagship partner in the Belt and Road Initiative (BRI), with the China-Pakistan Economic Corridor (CPEC) offering Beijing direct access to the Arabian Sea. This corridor not only boosts regional connectivity but also strengthens China's geopolitical presence through ports like Gwadar. Beijing's economic and military ties with Pakistan, and its involvement in strategic infrastructure projects, underscore Pakistan's value in securing China's energy routes and expanding its reach in the Indian Ocean.

On the other side, the United States views Pakistan as a significant regional actor within its broader Indo-Pacific strategy. While India serves as the primary counterbalance to China's rise, Pakistan remains important for Washington's counterterrorism objectives and maritime security goals. The US also recognizes Pakistan's influence in regional stability, particularly in relation to Afghanistan and the broader Middle East (Khan et al., 2023).

In this competitive environment, Pakistan's strategic importance is amplified by its ability to engage both global powers. Its strong defense and economic ties with China provide long-term developmental benefits, while its relationship with the US offers critical

financial aid, trade opportunities, and global diplomatic backing. Hence, Pakistan's foreign policy requires a delicate balancing act—one that leverages its unique position to safeguard national interests, promote economic revival, and maintain regional stability.

Rather than being a passive observer, Pakistan's role in South Asia's geopolitics is that of a strategic pivot—capable of influencing the regional balance through careful diplomacy and pragmatic engagement with both the US and China.

PAKISTAN'S BALANCING ACT

Sustaining Strong Relations with China

Pakistan enjoys deep historical relationships with China, characterized by significant economic and military cooperation. China is investing a huge amount in Pakistan's infrastructure development projects like CPEC. China has become the largest weapon supplier to Pakistan surpassing the US. Pakistan deems China as a reliable ally and economic partner. Pakistan is gradually developing bilateral relations with China in various fields. The US sees this cooperation with suspicion and considers it a potential threat for its supremacy in South Asia. In spite of US' concerns, Pakistan continues to strengthen its ties with China (Pant, 2012).

Security Cooperation with the US

In spite of some ups and downs between the US-Pak relationships in the recent past, Pakistan continues efforts to cooperate with the US, although the priorities have changed after the drastic shift in US policy towards India. Pakistan has continued its cooperation with the US on various issues, particularly war against terror and stabilizing Afghanistan. This cooperation extends to military aid, intelligence sharing, and joint operations. Although Pakistani policymakers have adopted open policy, they are engaged to develop good relations with the US. Hence

they succeeded to win the US support on FATF and Pakistan's access to the European

markets. On the international issues, Pakistan either neutralizes itself or doesn't go against the US policies (Abbasi, 2023), it needs the US support to maintain its international standings, on Kashmir issue and economic stability.

Balancing Economic Ties

Pakistan's present economic crisis doesn't permit to take any drastic shift to either of the countries. It needs economic support from both the US and China to overcome its severe economic crisis. China is already supporting Pakistan through investment in infrastructure development project like CPEC and providing economic assistance. Both the countries have strengthened their ties through bilateral trade, military agreements and mutual support on major issue. It is the result of Pakistan's successful foreign policy. Pakistan also maintains its economic ties with the US and the Western World, as they are the biggest export market for Pakistani goods. Pakistan continues efforts to normalize relationships with the US to get more and more economic and financial benefits. The good relationships with the US can encourage the European investors to invest in Pakistan and put Pakistan out of economic crisis (Usman, 2010).

Participation in Multilateral Forums

Pakistan is very active on multilateral forums to promote cooperation with the regional countries making dialogues and addressing issues. The regional and international forums like SAARC, SCO and the UNO provide an opportunity for Pakistan to engage itself with both the US and China to address the issues of common interests and to promote cooperation in various fields. These platforms are also a source of developing ties with other regional and international countries, helping Pakistan to balance relations with both the global

powers. Pakistan's active participation in multilateral forums with a balanced approach is a positive step towards balancing act.

Role in Regional Stability

Pakistan is situated at an important strategic location (Zada et al., 2023)). Its role in establishing peace and stability in the region has always been pivotal. It is the only country in the region which can play a bridging role between the US-China minimizing tensions and normalizing relation. Pakistan aims to reduce tension between both the US and China and to promote confidence building measures in the context of their competition in the region. Pakistan through pragmatic foreign policy approach aims to safeguard its interests and sovereignty in the region.

Pakistan is keenly interested to balance its relations with both the global powers as a need of the hour. In the recent years Pakistan's efforts for balancing act are notable. It is the result of balanced diplomatic approach that China is playing very active role in the economic and military development of Pakistan. Pakistan's access to the US and European markets, becoming the largest export market for Pakistani goods, is the result of Pakistan's balanced foreign policy approach. Additionally, the US supports trade and investment relations with Pakistan, organizing business-to-business trade delegations and promoting opportunities for US companies in Pakistan. The US-Pak good relations encourage the western businessmen to invest their capital in Pakistan (Kronstadt, K. A., & Foreign Affairs, Defense, and Trade Division. 2003, September).

No doubt, the complexity of the US-China rivalry is the biggest challenge for Pakistan's policymakers to adopt a pragmatic and positive foreign policy approach in striking a balance amidst the US and China ongoing rivalry in South Asia. But looking the strategic importance of Pakistan and potential challenges for both the US and China in South

Asia, Pakistan

cannot be overviewed by either of the two nations. Pakistan is playing its role on its part through balancing relations between the US and China.

Potential Implications for Pakistan

The rivalry between the two global powers has pushed Pakistan in a challenging position to navigate between the US and China. Since the very outset, Pakistan has aligned with the West, driven by security concerns stemming from its larger neighbor, India. Pakistan joined the Western-led alliances like CENTO and SEATO, which were formed to halt the USSR influence in the respective regions. During the Cold War era, Pakistan shook hands with US and became a front-line ally against the USSR. With the collapse of the USSR and after the end of the Cold War, the Global power structure has shifted significantly. China emerged as a global power challenging the West and the US dominance in the world.

At present Pakistan's relations with the US are in an uncertain position (Lodhi, 2009). After the disintegration of the USSR, the Pak-US collaboration is often viewed as a story of exaggerated expectations, broken promises, and misunderstandings. But it is fact that the US has been a significant supplier of military and civilian aid to Pakistan and is the major export market for Pakistani goods. Although the Pak-US relations have been complex, marked by cooperation and tension yet the US continues to wield considerable power in Pakistan through cultural, educational and a large Pakistani diaspora in the US. The US-China competition in the region which potentially can transform into a new Cold War can put Pakistan into a more difficult situation. The present economic condition of Pakistan does not permit any drastic shift to either of the two global powers. Any drastic shift to China can affect Pakistan's international standing and it may lose access to the major export market. FATF is a sword

hanging over Pakistan which cannot be removed without the US support (Hassan, S., & Bukhari, S. H. 2020). Pakistan may lose international support on the Kashmir issue and be deprived of economic and military assistance from the United States and its allies, which may ultimately endanger Pakistan's security and national interests. The US has strong relations with the countries of the Middle East, Pakistan's strained relations with the US may have negative impact on Pak-Middle East relations.

China has been trustworthy all-time friend of Pakistan. Both have supported each other in the time of trial, especially China supported Pakistan during Indo-Pak wars and on Kashmir issue on every international forum. It supported Pakistan by all means and succeeded to win the Pakistani people's hearts. China's unprecedented economic support to Pakistan in agriculture, energy and infrastructure development has been significant. The BRI and CPEC are the manifestation of Chinese investment in Pakistan (Islam, M. N., & Cansu, E. E. 2020). Its economic assistance to Pakistan has great importance, especially when Pakistani economy is in the worst crisis. China has become the largest economic and military aid provider to Pakistan, surpassing the US. China's economic and military assistance to Pakistan is viewed as inevitable for the revival of Pakistan's crippled economy and defense empowerment.

The US-China rivalry is a big and complex challenge for Pakistan's foreign policy-makers to balance its relations with both the global powers (Sadia, H., & Fatima, N. 2024). Their rivalry affects Pakistan's domestic politics as well as its international standings. The economic development, security, and foreign policy of Pakistan are all influenced by the need to navigate the complex and evolving dynamics of its relationships with these two global powers. Pakistan needs to balance its relationships with the US and

China while safeguarding its national interests and security. Pakistani policymakers should adopt an effective diplomatic approach to balance its relations amidst the US-China rivalry.

Pakistan is a major player of South Asia, having atomic power, strong military might, but currently its economy is under crisis. It needs economic assistance to put it on the road to development once again. The balanced relations with the US and China can be beneficial to boost and protect the economic and national security. China is already playing its part to uplift Pakistan's economy through investment in infrastructure development projects like the CPEC. Pakistan's balanced diplomatic approach can bring more investment in the country. The US is still the largest export market for Pakistani goods. By strengthening its ties with the US and addressing bilateral concerns, Pakistan can win the trust of European investors and can expand its volume of business. The balanced relations with both the countries, encourage the regional countries to provide economic support without any hesitation. Pakistan can also expand its bilateral trade within the region. The Pak-US tense relations can also affect Pakistan's relations with the Middle Eastern countries, the close allies of the US. In the past, Pakistan has been looking towards to the Middle East for economic and moral support (Ballard, 1987).

The real security threat for Pakistan in South Asia is India, a growing economic and military power in the region (Yaseen et al., 2016). Pakistan's security depends the balanced relations with both the rival powers, the US and China. The constant threat of India can be reduced through a balanced foreign policy approach. It depends upon Pakistan's policymakers' approach how they deal with the two global powers to balance relations. Otherwise the US-China rivalry in the region can disrupt the balance of power between India and Pakistan, leading to

adverse circumstances. The tension between the two atomic powers is the main concern of the regional peace and stability. If the US continues to support India and China goes on extending its support to Pakistan, it can escalate the conflict and jeopardize regional peace and security. In such circumstances Pakistan may face more complex situation.

If Pakistan succeeds in maintaining balanced relations with the US and China, it will be in a win-win situation on diplomatic front. Pakistan will be in a better position to develop its diplomatic relations with the regional players. It will not have to face any external pressure from the either sides, building and strengthening its ties with the regional actors.

Despite having strong ties with China, Pakistan should not place all its eggs in one basket (Kayani et al., 2013). Although China has become the largest military and economic aid provider to Pakistan, Pakistan still heavily depends on the US military equipment and the US export market for Pakistani goods. The stronger relationships with the US can open many options for Pakistan. The lack of political will of the US leadership to expand bilateral relations with Pakistan means Pakistani policymakers should revisit the diplomatic approach to find opportunities for cooperation with the US, while strengthening ties with China. Pakistan should avoid actions which undermine its credibility in the eyes of the US like openly supporting China on Taiwan issue. The US' major concern with Pakistan is the Chinese investments in the country through CPEC. If the US wants Pakistan to stay away from deepening its ties with China, it should seek mutually beneficial cooperation with Pakistan (Pant, 2012). If the US facilitates Pakistan through economic and military cooperation, it can reduce its dependence on China.

The potential scenarios like blacklisting Pakistan by FATF can push Pakistan into China's basket and the removal from the FATF gray list can develop the mutual trust

between the US and Pakistan and can attract foreign investors to balance CPEC projects. Finally, both Pakistan and the US should take some solid measures to rebuild mutual trust to eliminate concerns and avoid making Pakistan a battlefield in the China-US rivalry.

FINDINGS

South Asia: A Battlefield for a New Cold War
The struggle of powerful nations often manifests in proxies, whether overt or covert, and the ongoing US-China rivalry in South Asia is no exception. This rivalry has enveloped India and potentially Pakistan as well. Both the US and China have diverse interests in South Asia. The US' drastic shift to India bypassing Pakistan's longstanding relations and strategic partnership, has forced Pakistan to look for alternatives. It seems that the US is putting almost all its eggs into India's basket to counter China. On the other hand, China and Pakistan are drawing nearer and nearer. As both India and Pakistan are atomic powers of the region. Their alliance with either of the two world powers will have significant impact on the future of the regional peace and prosperity. But the present scenario seems to indicate that the region is converting into two blocks: US-India and Pak-China, which can possibly convert the region into a new Cold War. The US is providing military, economic and atomic assistance to India on a large scale to counter China's influence (Gupta, 2005). While China is providing economic and military assistance to Pakistan to strengthen its ties to enhance influence in the region. The intensity of this escalating rivalry can put the regional security in danger and a new Cold War can breakout in the region.

China's emergences as an Economic and Military Power

It has been observed after a long and intensive study and some apparent indicators that China is rapidly advancing in economic and military arenas. It is introducing new technologies in

the field of war, enhancing its economic volume by investing in different economic sectors of the allied countries like Bangladesh, Sri Lanka, Maldives, Afghanistan and Pakistan. These Chinese investments are not only enlarging China's business volume but also strengthening its ties with the regional countries. China has emerged as the second largest economy of the world and its rapid economic and military advancement guarantees its bright future.

The 'India-First' Perception in US Foreign Policy and Rising Security Dilemmas in South Asia

After the Cold War, the US began to prioritize India as a new strategic partner in South Asia to enhance its influence in the region. With the passage of time both the countries drew nearer and nearer. Particularly, US and India signed several agreements to strengthen their mutual ties in economic, technology and defense domains. It appears that India USA's top priority in the region. The US' "India First" policy aims at strengthening diplomatic, economic and defense relations with India to counter China (Larsen, 2019).

During the Cold War, Pakistan was very close to US, but now the situation has totally changed, as the US strategic interests have also changed in the region. Now, US no longer considers Pakistan to be a key priority. The US' radical shift toward India is of great importance for Pakistan, as it can encourage India to create problems for Pakistan which can disrupt the peace and stability of South Asia. Moreover, the US-India collaboration can instigate China and tension between China and India can destabilize the regional security.

The US is gradually increasing military, technology and atomic technology aid to India, which can encourage arms race in the region. Pakistan, in response, may also join this race. There is a significant possibility that the current weapons race between the three

nuclear-armed

nations—China, India, and Pakistan—will turn into a devastating nuclear war with potentially worldwide consequences.

The US-China rivalry is the greatest challenge for Pakistan's Security

The increasing competition between the US and China is the greatest challenge for Pakistan's security. The increasing cooperation between the US and India is a serious threat and greatest concern of Pakistan. The regional security environment is becoming more complicated and unstable, and Pakistan is facing numerous strategic problems as a result of US military and nuclear cooperation with India.

The US-China rivalry in the region has become the greatest challenge for Pakistan's foreign policy makers to balance relations between the two global powers. The widening gap between Pakistan and the US relations is a worrisome situation for Pakistani authorities (Rafique, 2011). Now it depends upon Pakistan's policy makers how they handle this intricate situation and ensure the security of the country. It requires a balanced approach, fostering ties with both global powers while assuring strategic autonomy and regional stability.

Pakistan's drastic shift can isolate and put its security in danger

The US and China, at present are the greatest power players in the world. For several decades, Pakistan has maintained close relations with both major powers. Pakistan has been gaining benefits from both countries. The present economic condition of Pakistan does not permit it to depend on either of the two but needs the cooperation and support of the both. So, any drastic shift can put Pakistan's security in danger.

CONCLUSION

Pakistan's foreign policy remains deeply influenced by its security concerns—primarily its longstanding rivalry with India and the

unresolved Kashmir issue. Security reasons, especially Pakistan's long-standing rivalry with India and the unresolved Kashmir conflict, continue to play a significant role in shaping its foreign policy.

While China consistently supports Pakistan's position on Kashmir and provides substantial economic and military assistance, reliance on China alone is insufficient to address Pakistan's multifaceted challenges. At the same time, the United States remains an essential partner for Pakistan, especially in terms of defense cooperation, trade, and diplomatic influence at global institutions. However, the deepening US-India strategic partnership, coupled with Washington's reluctance to support Pakistan on core issues like Kashmir, has fueled mistrust and complicated bilateral relations.

In an increasingly polarized global environment shaped by the US-China rivalry, Pakistan finds itself navigating a delicate balancing act. On one hand, China is a dependable ally offering long-term infrastructural investment and political support. On the other, the US holds economic leverage and remains Pakistan's largest export destination. To safeguard its national interests and maintain strategic autonomy, Pakistan must pursue a pragmatic and flexible foreign policy that avoids overdependence on either power.

Bridging the trust deficit with the United States—while simultaneously strengthening its time-tested partnership with China—is essential for Pakistan's diplomatic credibility, economic stability, and regional security. By engaging both powers constructively, Pakistan can not only mitigate its internal vulnerabilities but also play a strategic role in promoting regional balance and stability in South Asia. A successful balancing act will require proactive diplomacy, policy consistency, and a clear articulation of Pakistan's national interests in an evolving geopolitical order (Ch et al., 2025). The

following

recommendations can help Pakistan to balance its relations with two global powers,

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