



#### RESEARCH PAPER

## Pakistan's Balancing Strategy between the United States and China: An Analysis

<sup>1</sup>Atiqa Iqbal, <sup>2</sup> Anum Saleem and <sup>3</sup>Dr. Ammara Tariq Cheema

1. MS Scholar, Department of Politics and International Relations, Government College Women University, Sialkot, Punjab, Pakistan
2. MS Scholar, Department of Politics and International Relations, Government College Women University, Sialkot, Punjab, Pakistan
3. Lecturer, Department Of Politics And International Relations, GC women University, Sialkot, Punjab, Pakistan

**Corresponding Author:** atiqaiqbal019gc@gmail.com

#### ABSTRACT

This study examines Pakistan's balancing strategy between the United States and China regarding the growing great-power competition and the changing multipolar world order. Using realist and hedging approaches, the article examines the way in which Pakistan aims at maintaining strategic independence and gaining both economic and security interests. This study adopts a qualitative approach primarily based on secondary data, including official policy documents, academic literature, policy reports, and governmental reports. The findings reveal that Pakistan follows an issue-based and pragmatic strategy that is characterized by an intense economic involvement with China, especially the China Pakistan Economic Corridor, as well as selective diplomatic and security collaboration with the United States. Although such a strategy has short-term strategic and economic advantages, it also creates problems regarding economic reliance, foreign pressure, and policy consistency. The study provides theoretical and policy-related findings on middle-power balancing behavior.

**KEYWORDS** Pakistan's Foreign Policy, Strategic Balancing, US-China Rivalry, Hedging Strategy, China Pakistan Economic Corridor (CPEC), Strategic Autonomy

#### Introduction

Pakistan's foreign policy has historically been shaped by its strategic relationship with the United States and China. The United States has over the last 20 years provided about 32 billion dollars in security and development support, and has managed to be relevant by co-operation in defence, counterterrorism and diplomatic engagements. In the meantime, China has become the biggest economic ally of Pakistan in terms of the China-Pakistan Economic Corridor (CPEC) and Belt and Road Initiative projects of an estimated 6065 billion dollars with Chinese exports to Pakistan reaching 20.2 billion dollars in 2024. As US activity has grown more transactional, Chinese growing economic presence has had a profound effect on the infrastructure and energy sector as well as the industrial sector in Pakistan bringing about a multifaceted strategic trade-off (Muzaffar, Shah & Yaseen, 2018; Rahim, Khan, & Muzaffar, 2018; Shah, Muzaffar & Yaseen, 2020).

The geostrategic location of Pakistan at the crossroads of South Asia, Central Asia and the Arabian Sea makes it the center of the US and Chinese strategic interests. The Chinese investments influence industrial policy, energy provision and transfer of technologies both bringing benefits of development as well as concerns around the sustainability of the debts and the local economic effects. Concurrently, the US involvement still has an influence on the security partnership, purchasing of weapons and regional policy. The domestic economic pressures such as fiscal incorporations, energy requirements and currency fluctuations also heighten the pressure on Pakistan to balance economic

modernization with strategic autonomy among the intensifying great power rivalry (Yaseen, Afridi & Muzaffar, 2017).

Despite commentary on Pakistan's historical relationship with the US and its increased association with China, current era analysis combining economic, security and political dimension is limited. The recent changes in Chinese investment behavior and the US policy strategies have changed the strategic motivations that took place after 2020, but recent trade, aid, and investment statistics remain unexploited in the literature. This research addresses this gap by looking at how Pakistan handles opposing external pressures, reduces emerging dependency and pursues national interests with full alignment. The study provides timely insights about the middle-power balancing strategies within the context of the US-China rivalry.

## **Literature Review**

Zaheer, (2025) provides an analysis of the foreign policy conduct of Pakistan in the backdrop of the emerging strategic rivalry between the US and China and how Islamabad balances the two opposing compulsions of the two superpowers. In this approach, the authors believe that Pakistan has practiced a strategic balancing and hedging strategy which attempts to protect its national interests and consciously refrains from strictly aligning itself with any dominant world power (Muzaffar & Khan, 2021). This strategy is indicative of the attempt of Pakistan to maintain flexibility in foreign policy in an environment that is becoming more polarized. The analysis points out to the long established security ties between Pakistan and the United States, especially in such areas of collaboration as counterterrorism, military aid, and military involvement, and, at the same time, to the deep-rooted, flourishing, and ever-increasing economic and strategic cooperation between Pakistan and China, especially the China-Pakistan Economic Corridor (CPEC). The article also elaborates that regional security dynamics are very important in the Pakistan balancing approach particularly the growing strategic alliance of India with the United States that has changed the balance of power in South Asia and also increased the level of security threat to Pakistan.

Waqar, (2025) discusses the foreign policy of Pakistan in light of the ongoing US-China competition, and the authors contend that it is still a strategy of balancing and hedging, but not any alignment with either of the two forces. The paper recognizes that Pakistan has been involved with the United States in security cooperation, economic aid and diplomatic leverage as well as strengthening economic and strategic relations with China via CPEC. The authors distinguish such challenges as strategic pressure on both powers, domestic economic weaknesses, and Indian increased alliance with the US. They arrive at the conclusion that adaptive diplomacy, wise economic management, and consistent policy formulation are the keys to success of Pakistan in the great-power confrontation.

Ikram, (2024) analyzes the strategic balancing action of Pakistan between the United States and China with specific emphasis on the China-Pakistan Economic Corridor (CPEC) as a key factor in the formation of the current foreign policy of Pakistan. The paper points to the fact that the balancing approach in Pakistan is guided by both the economic factors and security concerns, since CPEC is also of critical importance as a source of infrastructure building, energy security, and economic growth in the long-term. Meanwhile, the authors also emphasize that Pakistan still understands the significance of the positive relations with the United States, especially trade entry, financial aid, cooperation in counterterrorism, and the support of international relations. The paper also addresses some of the most critical issues facing the balancing strategy undertaken by Pakistan such as the US interest in transparency in Pakistan, sustainability of its debt and geo womanly impacts of CPEC, and domestic economic vulnerabilities of Pakistan.

Hussain, (2024) examines the role of increasing US and China strategic rivalry in Pakistan, emphasizing that it is placed between the interests of two rival great powers. As presented in the study, the policies of Pakistan economically and security wise are becoming more connected with China, specifically CPEC, but the relationship with the United States is crucial in terms of security collaboration, access to the global market and diplomatic assistance. The foreign policy decision of Pakistan is further complicated by regional politics such as the strategic relationship between India and the US and the security tension in the region. The author emphasizes that Pakistan has to balance relations with both superpowers to preserve strategic autonomy.

Ali, (2025) explores the foreign policy behavior of Pakistan in the evolving framework of the international system, which is marked by the slow demise of the US unipolarism and the concomitant growth of China in the sphere of international politics. It illuminates that Pakistan is increasingly experiencing strategic and economic involvement with China, specifically through the China-Pakistan Economic Corridor (CPEC) and is at the same time continuing to have diplomatic and political interest in the United States and other Western dynamics. Such a two-line policy shows how Pakistan is trying to gain all of the economic advantages, preserve security interests, and maintain diplomatic flexibility in the face of closer great-power competition. Placing the strategy of Pakistan into a bigger framework of multiple poles, the article clarifies that the spread of power has enlarged the range of the diplomatic choices of Pakistan.

Maqsood (2024) examines the strategic actions of Pakistan that are taking place in the context of growing rivalry between the United States and China outlining the paradox of complexity in balancing that the nation confronts. The author underlines that the foreign policy strategy of Pakistan is developed under influence of some external forces, local security processes, and domestic economic necessity. The article highlights the role of the changing power rivalry that exists between Washington and Beijing in limiting unilateral action in Pakistan by forcing it to be cautious and subtle in its representational style that tends to combine hedging with strategizing balancing to safeguard national interests. The paper shows how difficult it is to balance economic stability, handle diplomatic expectations and not be too dependent on either of the superpowers (Ain, Muzaffar& Yaseen, 2024).

Khan, (2025) discusses the foreign policy of Pakistan in terms of great-power competition, where the country determines the strategy of multidirectional balancing to attain the autonomy of the strategic policy. The authors believe that the foreign policy in Pakistan is not unidirectional anymore but rather a conscious move towards being able to interact with several world powers at the same time, such as the United States and China, yet remaining flexible to adjust to the changing geopolitical environment. Through a proactive diversification of its partnerships, Pakistan aims at leveraging its bargaining power in the world arena and to minimize the vulnerability of excessive dependence on a given power. The article also discusses the implementation of multidirectional balancing, its mechanisms and problems. The authors emphasize that the systemic constraints on the strategic autonomy of Pakistan include US-China rivalry, the economic vulnerability of Pakistan, and the necessity of domestic political stability.

Raza, (2025) investigates Pakistan's foreign policy in the context of ongoing strategic competition between the United States and China, where conflicting demands of two world superpowers create difficult situations. The author believes that the geopolitical location of Pakistan involves a delicate balance and mentions that the state needs to maintain a fine balance of the strategic balancing and hedging, as well as avoidance of diplomacy in order to safeguard the national interests. The research focuses on the fact that although Pakistan has been enforcing economic and infrastructural relations with China, especially the China-Pakistan Economic Corridor (CPEC) it is also trying to preserve diplomatic contact and security collaboration with the United States to make sure it does not end up in strategic isolation. Another fact that the article raises is that strategic

autonomy is essential to help Pakistan to ride the changes in the global order, react to the Indian regional policies and sustain its influence in South Asia.

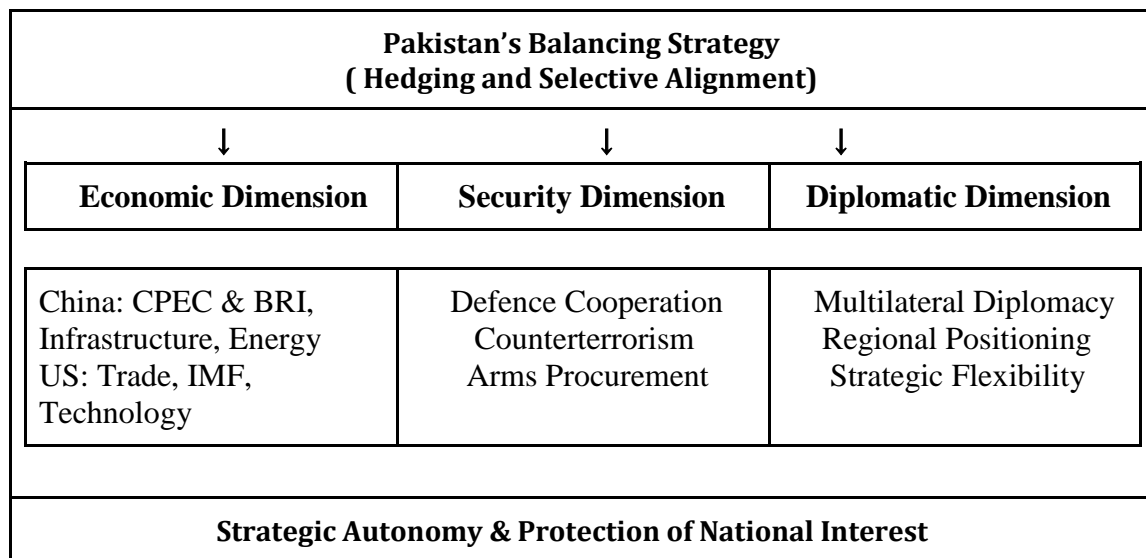


Fig 1 Theoretical Framework of Pakistan's balancing strategy b/w the US and China

## Material and Methods

In this study, a qualitative method is used in which researchers have used a descriptive and exploratory approach to examine Pakistan's balancing strategy between the US and China in the current geopolitical environment. The research is based on primary as well as secondary resources. Primary data include government reports, official policy documents and International databases. Secondary sources include research articles and scholarly journals.

## Results and Discussion

The results have shown that Pakistan has been pursuing a pragmatic balancing and hedging approach as opposed to being on the side of either the United States or China. Trade, investment and diplomatic activity evidence demonstrates that Pakistan is increasingly becoming economically cooperative with China especially in the CPEC project, and at the same time, selective strategic and diplomatic activity with the United States. Such a two-track strategy demonstrates the Pakistani multi-purpose efforts to gain the utmost benefits economically, save security cooperation, and not to become overdependent on one great power. These findings imply that balancing is dynamic and issue based and differs in economic, security and diplomatic spheres.

Economically, the outcomes show a definite inclination towards China through an increased level of trade, infrastructure investment and cooperation in the energy sector. The Chinese-funded projects also have helped in the generation of energy, transport connectivity, and industrial capacity which have been used to support the development goals of Pakistan. But the discussion shows that this economic dependence also brings about issues of the sustainability of debts, the transparency of the project, and financial liabilities in the long-term. Simultaneously, Pakistan still appreciates the US economic activity, specifically, the access to global financial institutions, development aid, and facilitation of trade, which also emphasizes a calculated effort to diversify economic interactions.

On the security level, according to the findings, Pakistan enjoys a selective security relationship with the United States particularly in terms of counterterrorism coordination, military training, and regional stability deliberation. Although there has been an increase in defence collaboration with China especially in the as far as arms purchases and

technological transfer is concerned, Pakistan has not framed this association as a military alliance. The discourse indicates that Islamabad is purposely maintaining strategic ambiguity in order not to put a wedge between Washington as it builds on deterrence potential and strategic richness at the expense of Beijing. This is an indication of a deliberate way of remaining independent in a polarizing security environment.

Diplomatically, the findings indicate that diplomacy in Pakistan holds the issue-based and transactional diplomacy whereby on one front, Pakistan engages the US and China without the commitment to any of the two blocs. Pakistan is being involved in both the China-led engagements as well as US-supported multilateral engagements. It has been pointed out in the discussion that this strategy gives Pakistan more diplomatic flexibility, but at the same time it opens it up to outside influences especially when US-China competition becomes more pronounced. The balancing behavior of Pakistan is therefore indicative of opportunity as well as vulnerability in the competitive global order.

Altogether, the discussion concludes that the balancing policy of Pakistan is fueled by economic needs, security, and internal politics issues but not ideological affiliation. Though the strategy has enabled Pakistan to draw the advantages of both the powers, its sustainability is pegged on the internal economic stability, coherent policymaking and coherent diplomatic signaling. The results affirm realist and hedging hypotheses by revealing how a middle power maneuvers among the great-power rivalry by making calculated flexibility. The example of Pakistan highlights the constraints and opportunities of the international system in the modern international system of strategic balancing.

## **Conclusion**

The study concludes that the foreign policy of Pakistan is marked with a pragmatic balancing and hedging approach that becomes necessitated by needs of the economy, security and domestic restraint instead of ideological orientation. Increasing economic involvement with China and specifically CPEC has advanced infrastructure, expansion of energy sources and development of the industry and sustained diplomatic and security relationships with the United States is necessary as an essential international legitimacy, counterterrorism collaboration and international access to financial institutions. The existence of the two relationships is an indication of the conscious attempt by Pakistan to ensure high strategic gains without relying too much on the influence of any particular power. The analysis also shows that the balancing behavior of Pakistan is both issue specific and adaptive as it is different in the economic, security, and diplomatic realms. Although economic cooperation is more tilted towards China, a long-term involvement with the US leaves a strategic flexibility and autonomy intact. Nonetheless, this strategy also brings Pakistan into the spotlight of the external pressure and internal policy issues, especially at the time of increased US-China rivalry. It finds that sustainability of the balancing policy of Pakistan is reliant on the economic resilience, coherent policymaking, and consistent diplomatic signaling and provides an insight on the middle-power behavior in an emerging multipolar international system.

## **Policy Directions and Strategic Implications**

The analysis suggests that the balancing policy of Pakistan between China and the United States is to be incorporated into the consistent and prolonged foreign policy. Instead of making decisions based on reaction or personality, Pakistan should have a well defined strategic doctrine that officially accepts balancing and hedging as an organizing principle. The resulting continuity of the policies even during political changes, lower uncertainty in foreign relations and the coordinated work of economic, security, and diplomatic pursuits would be the results of such institutionalization. The credibility of Pakistan when handling Washington and Beijing would also be enhanced by a stable strategic structure.

Economic Diversification becomes a major need to maintain the balancing strategy of Pakistan. Though the Chinese investment and infrastructure projects do continue to play central roles in the development agenda of Pakistan, over-dependency on one partner makes them susceptible to external pressure and economic shocks. Pakistan must thus be proactive in building trade relations and investment relations with the United States, the European Union, the Gulf states and the regional partners. Extended involvement in the economy would increase bargaining power, lower the risks of dependency and promote economic resilience in the long run. At the same time, the development of export competitiveness and industrial capacity would enable Pakistan to approach the major powers in a more powerful position.

Greater transparency and governance reforms, especially in the large-scale infrastructure initiatives like CPEC is necessary to improve economic performance and keep the people on board. Openness in financing terms, cost of the project and expected returns can help resolve domestic issues and eliminate external objections about debt sustainability. Enhancing regulatory control and involving the local industry would make such projects to have more extensive economic spillovers, such as creation of employment, and transfer of technology. Open governance would also support the image of a responsible economic partner of Pakistan.

Pakistan ought to keep up with issue-based and selective cooperation in the security arena instead of making exclusive alliances. Coordination of counterterrorism, military drills, and strategy dialogue with the United States are also significant to the stability of the region and to be recognized internationally. Simultaneously, defence relations with China must be based on capacity building and modernization of technologies without indicating strict adherence to blocs. This moderation strategy enables Pakistan to practice strategic autonomy even as it addresses the security needs in a complicated regional set up.

Diplomatically, active and regular signaling is essential to avoid an understanding of the intentions of the foreign policy by Pakistan. Pakistan ought to make it clear that its relations with the US as well as China are interest-based and not ideological (Yaseen, Muzaffar & Shahbaz, 2023). Diplomatic messages that can be predicted will lower the pressure posed by other world powers and prevent Pakistan from engaging in a zero-sum game. The involvement in multilateral forums also reinforces this direction as they offer other ways of engaging in cooperation and eliminates the use of bilateral relations only.

Last but not least, the domestic economic and institutional strength is critical in the sustainability of the balancing strategy in the country of Pakistan. The fiscal stability, consistency of the policy, and the effective decision-making institutions are the necessary factors to resist the outside pressure and adjust to the changes in the global power. Investment in strategic research, policymaking, and diplomatic capacity will result in improved capacity by Pakistan to envisage shifts in the US-China relations and react favorably. On the whole, these suggestions underscore the fact that effective balancing is not just a foreign policy option but a holistic national policy that demands economic strength, institutional maturity and responsive diplomacy.

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