



**Paradoxes of US-Pakistan Relationship:
A Cost-Benefit Assessment of US Aid to Pakistan in Post-9/11 Era**

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Abstract:

The US-Pakistan relationship, patterned on the centre-periphery disharmony, has gone through cyclical periods of cooperation and estrangement. In this course, the relationship follows a paradoxical pattern of strategic divergence even during the period of cooperation. In this context, Pakistan receives economic and military assistance from the US in return for playing a role in the latter's geopolitical pursuits. However, this transactional cooperation carries another paradox pertaining to the benefits and costs of the US assistance for Pakistan. This research is qualitative in nature and follows the technique of thick description to identify and analyze various paradoxical patterns of the US-Pakistan relationship. Data has been collected from both primary and secondary sources. This article identifies various paradoxes in the US-Pakistan relationship with focus on the benefits and costs of the US assistance for Pakistan in post-9/11 period. It argues that disadvantages of the US assistance to Pakistan outweigh the advantages when the direct and indirect cost incurred by the latter is taken into account. Therefore, aid based on a long-term US-Pakistan partnership is the way forward.

Keywords: US, Pakistan, aid, post-9/11, paradoxes, convergence, divergence, leverage

INTRODUCTION

Pakistan has experienced the longest and the most important engagement with the US. Its relations with the great power started in the early 1950s. However, the US-Pakistan relationship is characterized by various contradictions. The very *raison d'être* of relationship between the two was based on different strategic interests lacking a common ground. The US saw Pakistan as part of the northern tier in its efforts aimed at the containment of communism. On the other hand, Pakistan, which just got independence from the British, saw India as a larger country and a threat to itself given the historical Hindu-Muslim animosity and conflict over Kashmir. Therefore, it wanted to have a strong country like United States at its back. Further, Pakistan wanted military and economic assistance for survival and security as a new state. Secondly, the US-Pakistan relationship, from the

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outset, followed a transactional engagement driven by the US geopolitical interests and its aid to Pakistan following the centre-periphery pattern.

Pakistan, confronted with formidable obstacles following its independence, pursued foreign aid to advance its military and economic infrastructure. The leadership of Pakistan sought assistance from the United States in the 1950s realizing its military and economic might as well as democratic system of government. Therefore, it entered into various defense agreements including the 1954 Mutual Defense Assistance Agreement and those sponsored by the US, viz. Southeast Asia Treaty Organization (SEATO) and Central Treaty Organization (CENTO) concluded in 1954 and 1955 respectively. From the very beginning, the US aid to Pakistan has been transactional in nature being attached with Pakistan's relevance and role vis-à-vis the US global and regional geopolitical interests. Within the overall US-Pakistan relationship, the factor of aid remains central but a controversial subject. Literature on the cost-benefit analysis of the US aid to Pakistan abounds, but it is mostly based on the statistical data that indicates the amounts and size of the US aid to Pakistan. There is a lack of focus on the assessment of the US aid to Pakistan in the light of direct and indirect costs borne by Pakistan as a result of its role in the US geopolitical pursuits.

LITERATURE REVIEW

The book *The Leverage Paradox: Pakistan and the US* by Hathaway (2017) offers a comprehensive analysis of the complex relationship between the US and Pakistan. It provides valuable insights into the nature of US foreign policy towards Pakistan in the post 9/11 era, examining their mutual convergence and divergence of strategic interests. The author underlines that leverage, a multi-dimensional process, is also exercised by the smaller and weaker states. Thus, Pakistan has leveraged its strengths as well as weaknesses to achieve strategic interests while collaborating with the US in post-9/11 context.

The article *Pakistani-US Relations after 9/11: A Pakistani Perspective* authored by Zamir Akram (2002) identifies diverse factors that would determine the future trajectory of US-Pakistan relations in post-9/11 scenario. The author pinpoints that internal dynamics of Pakistan, bilateral diplomatic relations, war against terrorism, future of Afghanistan, Pakistan-India-US triangular relationship, and regional strategic environment would shape the future dynamics of Pakistan-US relations. He also laid down a roadmap for overcoming the challenges and capitalizing the opportunities of Pakistan-US relationship in post-2001 situation.

The article *Changing Dynamics of Pak-US Relations and the Challenge of Soft Power* (Ahmar, 2021) critically examines the evolving dynamics of the US-Pakistan relationship. It traces the shifting nature of US-Pakistan relationship, varying from the periods of alliances, mistrust and rivalry. Ahmar argues that it is hard for both countries to subjugate mistrust and transform from geopolitical to geoeconomic relations. Since independence, Pakistan has faced persistent economic and security challenges, prompting it to look outside for international aid to enhance economic and military capabilities. Diplomatic relations with the US were established in pursuit of political and economic advantages. However, the country has not been able to make an effective use of the US economic aid to manage its economic challenges.

The article *Ten years of U.S. aid to Pakistan and the post-OBL scenario* (Khan, 2012) highlights that Pakistan received significant amount of military and economic aid from the US. In a transactional

way, the US supplied aid in return for Pakistan's role in war on terror and counterterrorism operations in the area. From 2002 to 2010, the US provided around \$13.3 billion to Pakistan, approximately two-thirds of this aid was in the form of security assistance. Notably, the US assistance steadily increased as Pakistan's role in the war on terror as frontline ally expanded. Further, the US-Pakistan differences related to war against terrorism from 2011 onwards resulted in inconsistent aid levels.

In the article *Foreign Aid - Blessing or Curse: Evidence from Pakistan*, Khan and Ahmed (2007) examine the relationship between foreign aid and Pakistan's economic development. Based on quantitative analysis, the article draws two conclusions. First, foreign aid has not influenced economic growth at aggregate as well as disaggregate level. Second, domestic investment, FDI and exports have made significant contributions to economic growth in Pakistan. The reasons for aid-growth disharmony may vary from corruption and mismanagement to poor policy regarding the productive use of foreign aid.

The reviewed literature indicates that the US-Pakistan relationship has experienced several issues and differences in the context of post-9/11 war against terrorism. It also shows that the relationship has followed a transactional pattern, where Pakistan provided multifaceted support to the US in its engagement in Afghanistan and received military and economic assistance in return. Despite such limitations, the relationship has continued for decades. This characterization of the US-Pakistan relationship reflects its paradoxical nature, meaning it is based on self-contradictory patterns like coercion-persuasion, convergence-divergence, geopolitics, geoeconomics, differential leverage and aid effectiveness. Highlighting these paradoxes in US-Pakistan relationship with focus on the US aid cost-benefit paradox, this study attempts to make an academic contribution to the existing body of literature related to the US-Pakistan relations.

THEORETICAL FRAMEWORK

The dependency theory, introduced by Raúl Prebisch in the 1950s, takes 'international system' as its unit of analysis. It is based on the unequal distribution of international division of labour and economic output between the dominant and dependent countries. The theory divides countries into two main categories; core (developed countries) and periphery (less developed countries). The theory carries several themes.

Prebisch differentiates between core and periphery in terms of market structure whereby the latter provides cheaper labour and primary products while the former enjoys monopoly over manufacturing and supplies of finished products. This means major structural factors shape the distribution of global economy in favour of manufacturing and exporting countries (Toye, 2003). In the capitalist market, labour is divided between the core production and peripheral production. In this respect, the developed states monopolize the market and earn higher profits than the underdeveloped countries. Consequently, economic activity in the core has economic implications for the periphery.

Drawn on the dependency theory, Immanuel Wallerstein has introduced world system theory, dividing countries into three-level hierarchy—core, periphery and semi-periphery (Vela, 2001). By virtue of high levels of industrialization and capital intensity, the core dominates the world trade and capital distribution. Periphery is much less industrialized and is dependent on the core for capital.

Semi-periphery is less developed than the core and more developed than the periphery. In this case, the state is rich but not dominant in world economy. Further, core-periphery is a relative concept in the new world order.

The US-Pakistan relationship reflects the characteristics of the dependency theory in a number of ways. First, the relationship is typical of the core-periphery pattern, by which the US enjoys dominant position in world economy while Pakistan remains marginalized. Being unable to gain industrial growth over the decades since independence, Pakistan has developed an economic dependence over the US aid. As a number of peripheral countries have ascended to a semi-peripheral position, Pakistan still remains a peripheral country and ever more dependent on foreign aid. Pakistan's low-level industrialization and weak economic structures prevent the positive impact of the US aid on the country's economic growth causing more dependence on the foreign aid. Further, in the absence of broader strategic convergence, the US-Pakistan aid relationship is transactional in nature and, therefore, reflects a number of paradoxes.

RESEARCH METHODOLOGY

This research is qualitative in nature as it explains the paradoxical nature of US-Pakistan relations through an in-depth analysis. It follows the technique of thick description to identify and analyze various paradoxical patterns of the US-Pakistan relationship. With particular focus on the US aid to Pakistan in the post-9/11 era, it makes a longitudinal analysis to underline various paradoxes associated with the US-Pakistan aid relationship. In this respect, three phases of the US aid to Pakistan have been analyzed including 2001-2010, 2011-2014 and 2015-2020. To underline the paradoxes connected with the US aid, various dimensions of the aid have been focused including the transactional nature of the aid, perception gap, aid-growth relationship, and aid versus direct-indirect cost of Pakistan's participation in war against terrorism. Data has been collected from both primary and secondary sources. The primary sources comprise the governmental sources of information and interviews of the subject experts. Secondary sources are consisted of books, research articles and newspaper reports and op-eds.

PARADOXES OF US-PAKISTAN RELATIONSHIP IN POST-9/11 PERIOD

For lacking broader strategic convergence and following a core-periphery pattern, the US-Pakistan relationship is characterized by several paradoxes. In post-9/11 period, these paradoxes were explicit as the two states interacted in the context of the US-led international engagement in Afghanistan in a transactional mode without any strategic convergence. Consequently, the relationship demonstrated at least five paradoxes as discussed below.

US Coercion-Persuasion in Relation to Pakistan's Participation in War against Terrorism

The foremost paradox of the US-Pakistan cooperation in war against terrorism is that it is based on coercion rather than persuasion. Therefore, it is exemplified as a marriage of convenience that lacks long-term commitment and partnership. It is a typical centre-periphery relationship in which the former dominates the latter in terms of defining the terms of engagement. The US-Pakistan relationship remains primarily transactional, driven by geopolitical interests of the US. Therefore, the relationship has experienced ups and downs in the form of periods of cooperation and friction. It has been beset by popular misconceptions and a lack of strategic consensus, despite being vital to

the interests of both countries. There have been times when US officials have disparaged Pakistan, despite the fact that they have frequently hailed Pakistan as a vital friend. Both sides to the partnership have paid a heavy price for the benefits they have received from each other. This divide is primarily caused by the lack of strategic convergence between the US and Pakistan. During the Afghanistan War, this complex connection was especially evident as the two countries operated as partners without a foundation of confidence, enemies without a true sense of enmity, and friends without a genuine sense of togetherness.

US-Pakistan Strategic Convergence-Divergence Over the War against Terrorism

While the tactical convergence between the US and Pakistan has been there, the relationship has never seen strategic convergence including over the post-9/11 war against terrorism. Pakistan benefits from trade preferences, economic assistance and development aid when it is a key US ally in conflicts. However, aid is drastically decreased during non-allied times. US aid to Pakistan declines in times of peace as it is no more strategically vital. Consequently, it is sanctioned sometimes and, often, has to face stricter requirements from international organizations such as the IMF and FATF. Even though the US and Pakistan agreed on short-term goals such as combating terrorism, they were unable to come up with a cohesive long-term plan or vision, especially when it came to post-9/11 regional challenges. The two countries were in agreement regarding the objectives and strategies of war against Al-Qaeda but they always differed over dealing with the Taliban. The US strategy of realizing the collapse of the Taliban as a militant and political force clashed with Pakistan's objectives in Afghanistan. Pakistan saw Taliban as an important political force to downplay India's involvement in the country. The major strategic difference between the US and Pakistan was the strategy to deal with the Taliban. The US wanted a complete defeat of the Taliban through the use of force while Pakistan wanted a political settlement with them to make them the part of any future political dispensation in Afghanistan.

US-Pakistan Leverage Paradox

In post-9/11 period, the US has used diplomatic influence and national power to convince Pakistan to play a role in war against terrorism. In response, Pakistan leveraged its strategic location to pressure the US into making concessions and providing assistance. This pattern of relationship exposed a discrepancy between the US overwhelming might and the frequently disappointing results it obtained from Pakistan. The relationship provides broader lessons on the exercise of power in international relations by illuminating the ways in which both countries employed techniques to exert and deflect leverage (Hathaway, 2017). Apparently, the US dominated Pakistan in terms of prevalence of its interests through aid leverage and diplomatic coercion. However, deeper analysis of US-Pakistan relationship in post-9/11 period shows a different picture. The US had not been able to earn leverage vis-à-vis Pakistan as much as it desired. Pakistan never surrendered to the US over its core interests, particularly in case of dealing with the Taliban and giving wider space to India for increased engagement in Afghanistan. The US doubted that Pakistan was providing safe havens to Taliban and Haqqani network. Therefore, Washington insisted that Pakistan should launch a military operation against the Haqqani Network in the latter's tribal regions, particularly North Waziristan. Contrarily, Pakistan was concerned that Indian influence in Afghanistan could jeopardise its efforts to establish strategic parity with India as well as its

strategic and commercial interests in Central Asia and Afghanistan (Ahmed, 2012). In the midst of this strategic divergence, Pakistan never abandoned its core interests.

Geoeconomic-Geopolitical Paradox

The geopolitical rather than the geoeconomic agenda has always shaped the US-Pakistan relationship. After gaining independence, Pakistan faced many challenges and looked to the outside world for assistance to develop its military and economic capabilities. In the 1950s, Pakistan's leadership turned to the US as it realized the need of aligning with a great power for military and economic assistance. Diplomatic relations were established as a result of Pakistan's realization of the geopolitical and economic benefits that the US could provide as a trustworthy and powerful partner. Pakistan's alliance with the US was primarily motivated by security concerns rather than economic ones. Consequently, security has taken precedence over economic objectives in US-Pakistan relationship. Pakistan has not made investments in long-term economic development, preferring to profit from geo-rents and take leverage of its strategic location.

This historical pattern is reflected in the post-9/11 US-Pakistan relationship. The US geopolitical interests shaped the nature of its engagement with Pakistan in the context of the former's military and reconstruction engagement in Afghanistan. In return, Pakistan received economic and military assistance but a long-term US-Pakistan economic partnership remained missing.

US Aid Cost-Benefit Paradox

The US has historically been providing huge amounts of assistance to Pakistan in return for playing a role in the US pursuit of the geopolitical interests. However, the net volume of this aid is not much higher when the cost of Pakistan's role is counted. When indirect socio-economic cost of Pakistan's role is also considered, the cost overshadows the benefits of the US aid.

Cost-Benefit Assessment of US Aid to Pakistan

The US aid to Pakistan remains a central factor of relations between the states. Pakistan is one of those countries that have received huge amounts of the US aid. However, cost-benefit analysis of the US aid to Pakistan presents a paradoxical picture.

TRANSACTIONAL-PARTNERSHIP PATTERN

The US-Pakistan ties follows a transactional rather than a partnership pattern. Paradoxically, the voluminous provision of US aid to Pakistan has resulted in more divergence and less convergence. This is reflective of the transactional nature of US-Pakistan relationship that lacks long-term partnership commitments. There was relatively more convergence of interest between the US and Pakistan during 2001-2010 and hence more aid from the US. During 2010-2014, there was divergence between the two over several issues related to war against terrorism in Afghanistan and hence reduction in the US assistance. During 2015-2020, divergence further increased as the US moved towards complete withdrawal from Afghanistan. Hence, the US aid saw increased reduction.

Convergence of Interests

US aid to Pakistan between 2001 and 2010 was mostly in the form of military and economic support, with a heavy focus on the former due to the US geopolitical goals. Although economic aid was directed towards non-military areas like healthcare, education and infrastructure, it was

eclipsed by significant military support aimed at strengthening Pakistan's position in the war against terrorism. Since the US depended on Pakistan's military to accomplish strategic objectives, it gave preference to military assistance over Pakistan's long-term socioeconomic advancement.

Following 9/11, there was a notable surge in the provision of military and economic support. Both military and economic support witnessed significant increase during 2001-2010. Following the initial boom, both forms of aid experienced an ebb and flow over time, with military assistance typically staying larger than economic assistance. 2010 saw a record high for both military and economic assistance. This peak was in line with the US growing regional influence and stepping up military activities both in Afghanistan and Pakistan.

Table 1: US Aid to Pakistan (2000-2010) US\$ (millions)

Year	Economic Assistance	Military Assistance
2001	228.02	0.00
2002	937.34	1739.70
2003	377.93	1760.23
2004	406.12	891.39
2005	490.42	1397.06
2006	689.43	1246.10
2007	688.62	1079.72
2008	614.48	1378.32
2009	1353.65	1114.26
2010	1867.13	2524.61

(Source: The Guardian 2016)

Divergence of Interests

Between 2011 and 2014, assistance drastically declined, reaching levels akin to those of the early 2000s. This reduction in aid was apparently the result of a change in US foreign policy goals or divergence of interests between the two nations. Specifically, the decrease in assistance was caused by variables including differences in approaches to combating terrorism or changes in the geopolitical landscape. Obama Administration charged Pakistan in 2011 with giving safe refuge to Taliban terrorists after Osama bin Laden was killed by American soldiers in Abbottabad, Pakistan. The United States withdrew its \$801 million in military aid as a result of the accusation, which damaged relations between the two nations (Amin 2021, 262).

Table 2: US Aid to Pakistan (2011-2014) US\$ (millions)

Year	Economic Assistance	Military Assistance
2011	349.4	690.53
2012	919.7	849.23
2013	640.5	361.13
2014	440.4	353.27

(Source: The Guardian 2016)

Detachment

During 2015-2020, there was a discernible decline in US assistance to Pakistan. The large reduction in aid suggested a re-evaluation of geopolitical objectives. Many variables, including shifts in diplomatic connections, shifts in foreign policy priorities, and shifts in the perception of strategic interests accounted for this reduction. In this period, economic aid continuously surpassed military assistance, showing that civilian support took precedence over military assistance. Trump said on Twitter in 2018: "Over the past 15 years, the United States has stupidly given Pakistan more than 33 billion dollars in aid, and they have given us nothing but lies & deception, thinking of our politicians as idiots. They give safe haven to the terrorists we hunt in Afghanistan, with little help. No more!" (Amin 2021, 267).

Table 3: USA Aid to Pakistan 2015-2020 (US\$ million)

Year	Economic Assistance	Military Assistance
2015	561	343
2016	331	322
2017	285	305
2018	84	23
2019	-	-
2020	48	22

Source: US Agency for International Development (USAID)

PERCEPTION GAP

Regarding the US aid to Pakistan, a perception gap exists between the Pakistani state and society. The Pakistani society generally perceives the US aid as a neo-colonial instrument to advance the US geopolitical interests, which go against Pakistan's own strategic interests. This state-society perception gap results in controversies over the aid and reduction in the potential benefits of the aid. Kerry-Lugar-Berman (KLB) bill was launched in 2009 with the aim of giving non-military aid to the civilian administration of Pakistan for democratic and socio-economic development. Under the KLB Act, the Obama administration committed \$1.5 billion in development aid annually to Pakistan for the period 2010-2014. The bill was opposed by the Pakistan military and turned controversial because it entailed civilian control over the military affairs ("Sixty years of US aid," 2016). Consequently, the Pakistani government had to defend a controversial aid bill that saw the bill as an opportunity for a fresh start of US-Pakistan relations. Pakistan's differing civil-military response to the KLB resulted in a controversial perception of the US aid in the Pakistani society.

In general, the UA aid to Pakistan is perceived in the Pakistani society with doubts and concerns. A number of factors account for the Pakistani content with the US aid. First, majority of the Pakistanis believe that the US aid aims at achieving its geopolitical interests at the cost of Pakistan's own national interest. This approach is evidenced by the fact that the US did not provide any support to Pakistan amidst the latter's conflict with India, whether it was the case of Indo-Pakistan wars of 1965 and 1971 or diplomatic support on the Kashmir issue. This perception is further strengthened by the US act of distancing from Pakistan after it loses geopolitical relevance. Second, since the US deals with the Pakistani state on a transactional pattern, it has failed to win 'hearts and minds' of

people through society-centric assistance. In other words, there is harmony between the US-Pakistani governments, but it lacks between governments and people.

AID AND DEVELOPMENT

Pakistan's economic progress has been mostly financed by foreign borrowing, much like that of many other emerging nations. This trajectory has made it more reliant on resources from outside. The fact that not everyone has benefited from these foreign aid inflows indicates that Pakistan's economic situation has not improved. The amount of foreign aid received and economic growth do not substantially correspond. Foreign aid has a negative correlation with domestic savings and no discernible impact on economic growth. While they have a considerable beneficial influence on non-development spending, foreign capital inflows into the public sector have little effect on development spending.

In case of Pakistan, majority of foreign loans and aid are redirected to non-development spending rather than prudently invested through development projects. Pakistan is the best example of the model of economic growth without development. Pakistan's economy has been heavily reliant on foreign aid from the US, Saudi Arabia, China, Qatar, and UAE since the 1980s. The country has been seeking loans from the International Monetary Fund (IMF) since 1958. However, the Pakistani state has only adopted a few easier reforms while disregarding hard policy choices. The difficult choices necessary for sound economic management are delayed with the assistance of foreign aid. Foreign help is a curse rather than a blessing in these situations, and it is best to avoid it (Khan & Ahmed, 2007). During cyclical periods when Pakistan received significant foreign aid from the US, its economic growth rate increased but it did not result in development at the grassroots level.

Foreign aid serves an easy escape for Pakistan from the structural economic reforms that it direly needs. For instance, the recent Pakistan-US partnership established after 2001 illustrates this phenomenon. With that aid, the banking sector thrived, the corporate sector flourished, and the GDP growth rate significantly increased. But the aid did not translate into the export diversification, industrial competitiveness, and implementation of structural reforms. In fact, the political and military elites are comfortable with aid, because that also serves their purpose of delaying the reforms. This is primarily what Pakistan's orientation has been (F. H. Siddiqi, personal communication, May 2, 2024). The growth spurred by aid tends to be unsustainable, as the economy becomes overly dependent on external assistance, hindering its ability to transition towards a production-based model. This reliance on aid risks crippling the economy's ability to generate sustainable growth through productive means (A. Abbas, personal communication, April 30, 2024).

Aid and the Cost

US aid to Pakistan is often exaggerated. The US officials quote aid in absolute figures without taking into account the direct cost that Pakistan incurs in consequence of the military operations and other related services. In this sense, the net volume and benefits of the US aid are much lower than it is projected in diplomatic circles and media discourse. The US provided \$33.4 billion to Pakistan during 2002-2016; however, 44% of this accounted for the services that Pakistan rendered to the US for its military operations in Afghanistan. Thus, actual US aid for Pakistan amounted to \$18.8 billion. On the other hand, Pakistan incurred a loss of \$123.13 billion because of the war against

terrorism, according to Pakistan's finance ministry (Rana, 2017). According to Pakistani economist, Dr. Hafiz Pasha, the war on terror sponsored by the US cost Pakistan's economy \$252 billion, eight times more than Washington has provided to Islamabad in aid (Rana, 2019).

Notably, the US aid to Pakistan does not consider the indirect cost that the country bears in the course of collaboration with the US. Pakistan incurred much more economic and human cost than the assistance it received from the US. Due to the global financial crisis and domestic problems, particularly terrorism and insurgency, Pakistan's economic growth rate sharply declined from 2009 onwards. Three million people were displaced, and a large amount of the government's financial resources were used up in consequence of counter-terrorism military operations. The prolonged insurgency made the already dire economic conditions worse, impacting small-scale, manufacturing, tourism, and agriculture.

Terrorism in Pakistan caused relocation of business and assets to other countries and depletion of foreign direct investment (FDI). The World Bank downgraded Pakistan's credit rating because of the country's involvement in the war on terror (Murtaza, 2014). Due to terrorism attacks and a lack of a tourism regulatory framework, Pakistan was ranked 113th out of 130 tourist destinations in 2009 (Ullah et al., 2021). On account of these factors, Pakistan suffered enormous financial losses that outnumbered the US assistance by a huge difference.

CONCLUSION

In accordance with the dependency theory, the US-Pakistan relationship follows a core-periphery pattern, whereby the US acts like a dominant state in pursuit of geopolitical interests while Pakistan cooperates like a dependent state. Consequently, the relationship is characterized by a transactional cooperation between the two states, where both attempt to direct their means towards respective ends. This core-periphery transactional interaction between the US and Pakistan results in several paradoxical manifestations. In the context of post-9/11 US-Pakistan relationship, Pakistan's cooperation in the US-led war against terrorism resulted from coercion rather than persuasion. In the absence of strategic partnership between them, the cooperation was based on tactical convergence; however, it changed into friction as the two met a strategic divergence. In case of divergence between their respective strategic interests, Pakistan used its own leverages to deflect the US pressures despite its financial dependent on the latter. Though Pakistan received huge amount of aid from the US in return for cooperation in war against terrorism, the geo-economic agenda remained marginalized.

The US aid to Pakistan followed a transactional and paradoxical pattern throughout the years in post-9/11 era. It increased or decreased in accordance with the geopolitical convergence or divergence between the US and Pakistan in the context of war against terrorism. Taking into account the direct and indirect cost that Pakistan incurred in consequence of war against terrorism, the country underwent financial losses far more than the assistance it received from the US. Following the historical manifestation, the US post-9/11 aid to Pakistan evidently did not translate into socio-economic development. Consequently, the US aid failed to develop a positive perception of the US among the Pakistani people.

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