

Projecting Agency: Pakistan's Geoeconomic Discourse in an Era of Great Power Competition

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Abstract: As great power competition intensifies, many Global South states claim to pursue "geoeconomic" strategies that prioritise economic partnerships over traditional security alignments. Pakistan is no exception to this rhetorical shift. Since 2021, Pakistani officials have explicitly endorsed a pivot from "geopolitics to geoeconomics" and articulated a posture of strategic non-alignment between the United States and China. But does this discourse reflect genuine agency, or does it mask persistent structural constraints? Through process tracing across three interconnected timelines – US–Pakistan relations from 2010 to 2025, CPEC development from 2013 onwards, and the emergence of geoeconomics rhetoric from 2021 – this paper analyses the relationship between strategic narratives and material policy outcomes. Using a publicly filed May 2025 Foreign Agents Registration Act (FARA) document as a critical test case, the paper demonstrates a fundamental gap between public non-alignment rhetoric and less visible, transactional diplomatic positioning. The empirical evidence shows that Pakistan's dual dependencies, operating through US-backed IMF conditionalities and Chinese infrastructure lock-in mechanisms, compound rather than offset one another, substantially restricting material policy transformation. This paper argues that geoeconomic discourse functions not as evidence of structural autonomy, but as a form of limited discursive agency deployed to manage domestic and international legitimacy costs. Ultimately, the paper proposes empirical indicators for distinguishing genuine agency from rhetorical positioning, offering a potentially replicable analytical framework for understanding how middle powers strategically deploy narratives to navigate narrow negotiating spaces within, rather than beyond, great power asymmetry.

"The contemporary concept of national security is not only about protecting a country from internal and external threats but also providing a conducive environment in which aspirations of human security, national progress, and development could be realised." With these words, Pakistan Army Chief General Qamar Javed Bajwa announced a fundamental recalibration of Pakistan's strategic priorities at the Islamabad Security Dialogue on March 18, 2021.¹ His speech articulated a vision of Pakistan moving "from geo-political contestation to geo-economic integration," pivoting away from traditional security alignments toward economic partnerships and regional connectivity.

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The rhetoric intensified in subsequent months. When HBO's Jonathan Swan asked Prime Minister Imran Khan whether Pakistan would permit American military bases for counterterrorism operations in Afghanistan, Khan delivered an unambiguous response: "Absolutely not."² Foreign Minister Shah Mahmood Qureshi told the Council on Foreign Relations in September 2021 that Pakistan sought neither "assistance" nor "a dole-out" from the United States, but rather "opportunities of investment."³ The messaging was consistent: Pakistan claimed it was charting an economically driven, strategically autonomous course between the United States and China.

Yet four years later, in May 2025, a document filed under the Foreign Agents Registration Act (FARA) revealed a strikingly different reality. Squire Patton Boggs, a Washington law firm registered as an agent of the Government of Pakistan, submitted a strategy outline titled "A Renewed Pakistan – United States Relationship" to the State Department.⁴ The document proposed concrete deliverables: increasing American exports to balance trade, modernising Pakistan's financial infrastructure with US fintech companies, "doubling down" on counterterrorism cooperation, and positioning the bilateral relationship independently from Pakistan's ties with China and India.⁵ The transactional framing bore little resemblance to the confident assertions of geoeconomic autonomy that had defined Pakistani rhetoric since 2021.

This gap between discourse and documented behaviour raises a fundamental question: Does Pakistan's geoeconomic rhetoric reflect genuine strategic agency, or does it function as rhetorical positioning that masks persistent structural constraints? The discrepancy matters not only for understanding Pakistan's foreign policy trajectory but also for broader theoretical debates about Global South agency amid intensifying great power competition.

This paper argues that Pakistan's geoeconomic discourse functions as a tool for projecting autonomy and strategic choice within persistent structural constraints rather than as evidence of genuine policy transformation. Through process tracing across three interconnected timelines, US–Pakistan relations from 2010 to 2025, CPEC development from 2013 onwards, and the emergence of geoeconomics rhetoric from 2021, the analysis demonstrates how Pakistan deploys strategic narratives to create rhetorical space (for domestic consumption and more importantly for signalling to great powers) while navigating dual dependencies on American-backed IMF conditionalities and Chinese-led infrastructure obligations. The FARA filing serves as the critical test case: appearing precisely when geoeconomic rhetoric should have crystallised into substantive policy autonomy, it instead shows Pakistan seeking American economic, security, and diplomatic engagement through explicitly transactional offers.

Literature Review and Theoretical Framework

Three theoretical frameworks illuminate Pakistan's geoeconomics discourse: hedging theory and middle power strategies, geoeconomic discourse and strategic narratives, and structural constraints, including dependency theory and conditionalities.⁶ These frameworks evaluate whether Pakistan exercises genuine agency or deploys rhetoric to navigate constrained policy space.

Hedging Theory and Middle Power Strategies

Middle powers in the Global South employ hedging strategies to navigate great power competition, particularly between the United States and China. These strategies are characterised by a blend of economic, diplomatic, and security manoeuvres aimed at maximising strategic autonomy whilst avoiding entrapment in rivalry dynamics.⁷ Pakistan navigates US-China competition by leveraging its strategic position in what scholars term the "US-China-Pakistan triangle." Despite closer alignment with China, Pakistan maintains a working relationship with the US, focusing on geoeconomic priorities to address domestic and regional security concerns. Other middle powers employ similar hedging strategies, but Pakistan's dual dependencies create compounding constraints that distinguish its case. Middle powers' status is inherently relational, defined relative to great powers.⁸ Competition between China's Belt and Road Initiative and the US's Free and Open Indo-Pacific strategy prompts omnidirectional hedging through multilateralism and economic diversification.⁹ Whether this represents genuine autonomy or constrained manoeuvring remains contested.

Geoeconomic Discourse and Strategic Narratives

Over time, the foreign policy approach in Pakistan has shifted from geopolitics to geoeconomics.¹⁰ The term 'geoeconomics' is defined as the strategic use of economic instruments to achieve geopolitical objectives.¹¹ This framework emphasises infrastructure investments, financial management, and regional integration in shaping states' strategic posture.¹² The transition from geopolitics to geoeconomics reflects pragmatism in leveraging economic partnerships to bolster development and reduce traditional security dilemmas.¹³ However, the deployment of geoeconomic discourse by developing countries and middle powers often serves rhetorical functions that may diverge from material policy outcomes.

Developing countries employ geoeconomic discourse and strategic narratives to project autonomy in international relations despite facing structural constraints. These narratives allow them to assert agency and influence more powerful states by leveraging geopolitical competition and economic statecraft.¹⁴ Strategic narratives function as tools for influence, enabling states to shape international perceptions and relationships despite material constraints.

A critical gap often exists between rhetorical positioning and material policy outcomes. The China-Pakistan Economic Corridor (CPEC) demonstrates how local contestation forces adaptations, highlighting gaps between strategic narratives and material outcomes.¹⁵ This suggests that whilst developing countries can use geoeconomic discourse and strategic narratives to project autonomy, the effectiveness of these strategies is often constrained by structural factors and domestic considerations, creating discrepancies between public rhetoric and private engagements.

Structural Constraints: Dependency and Conditionalities

Dependency theory elucidates the structural constraints faced by developing states in global financial systems, providing a framework for understanding how external dependencies limit policy

autonomy.¹⁶ Pakistan's experience exemplifies the dialectic between external pressures and internal elite interests shaping development trajectories and sovereignty challenges. With Pakistan receiving over twenty-three International Monetary Fund (IMF) loan packages since 1958 and facing recurrent debt distress, its economic trajectory is deeply intertwined with external financial institutions and bilateral partnerships.¹⁷

IMF conditionalities represent a primary mechanism through which structural constraints operate, limiting Pakistan's fiscal and social policy space. Research demonstrates that IMF programmes constrain fiscal flexibility and social policy autonomy, often imposing trade-offs that affect social welfare and economic growth.¹⁸ The persistent tension between the short-term benefits of IMF support and long-term challenges of structural reforms creates cycles of dependency that fundamentally constrain economic sovereignty.

Infrastructure debt and economic lock-in mechanisms constitute another dimension of structural constraints. The CPEC enhances regional connectivity and middle power status but introduces significant debt sustainability challenges and governance deficits. Whilst some research argues that Chinese finance expands Pakistan's policy autonomy by providing alternatives to Western-dominated multilateral institutions, concerns persist regarding opaque loan terms, sovereign guarantees, and contingent liabilities that may generate new forms of dependency.¹⁹ The complexity of debt structures and their geopolitical implications creates economic lock-in effects that constrain future policy options regardless of rhetorical assertions of autonomy.

Middle powers engage in transactional diplomacy and bilateral negotiations whilst projecting autonomy through geoeconomic discourse, yet these engagements often reveal discrepancies between public rhetoric and private arrangements.²⁰ This suggests that transactional diplomacy operates within structural constraints that fundamentally shape the parameters of process tracing across three specified timelines to capture temporal dynamics and identify what middle powers can achieve, regardless of their rhetorical positioning.

These three frameworks, when taken together, suggest that the middle power behaviour gets inspired by the interaction of structural constraints, strategic narratives, and hedging practices. Structural constraints limit policy autonomy for Pakistan, particularly because of the external economic reliance and financial conditionalities. Nevertheless, middle powers use the geoeconomics discourse and strategic narratives to negotiate structural constraints, project strategic agency, and justify hedging behaviour between competing powers. In that sense, strategic narratives do not eliminate dependency but rather provide space for limited manoeuvrability within an evolving international order.

Research Gap and Contribution

The synthesis of existing literature reveals critical gaps that this research addresses. Whilst substantial scholarship examines Pakistan's economic partnerships with China through CPEC and its interactions with the IMF, few studies systematically integrate analysis of how geoeconomic discourse relates to material policy outcomes across both dependencies simultaneously. Existing studies frequently deploy

geoeconomic and dependency frameworks at a high level of abstraction, without systematically operationalising these concepts through explicit indicators linking discourse to policy behaviour.

This research contributes through a systematic analysis of the relationship between geoeconomic discourse and material policy outcomes by examining both the US (IMF) and China (CPEC) dependencies concurrently. It employs critical junctures where discourse-behaviour gaps become evident. The research directly addresses whether Pakistan's geoeconomic discourse represents strategic adaptation within constraints or masks continued structural dependency, a question with implications for understanding middle power agency more broadly in the contemporary international system.

Methodology

This study employs process tracing as its primary methodological approach to examine Pakistan's geoeconomic discourse and its relationship to material policy outcomes across a fifteen-year period from 2010 to 2025. Process tracing proves particularly suited to this research question because it enables systematic analysis of causal mechanisms linking discourse to behaviour whilst identifying critical junctures where rhetoric and reality either converge or diverge.

The empirical foundation rests on three interconnected timelines. The first timeline traces US-Pakistan relations from 2010 to 2025, focusing on the post-Abbottabad deterioration beginning in 2011, the Trump administration's transactional pressures from 2017 to 2020, and the Biden era's continued leverage through IMF dependencies from 2021 to 2025. The second timeline examines China-Pakistan relations through CPEC from 2013 to 2025, encompassing CPEC's launch from 2013 to 2018, implementation challenges and mounting debt concerns from 2018 to 2022, and the consolidation of lock-in dynamics from 2022 to 2025. The third timeline analyses the emergence and evolution of Pakistan's geoeconomic discourse from 2021 to 2025.

The data sources encompass comprehensive timelines of US-Pakistan bilateral relations documenting security assistance patterns, IMF programme negotiations, and Financial Action Task Force (FATF) proceedings; detailed records of CPEC project implementations and debt accumulation patterns; systematic compilation of Pakistani official statements on geoeconomic priorities from military, political, and diplomatic leadership; and the May 2025 FARA registration document filed by Squire Patton Boggs representing the Government of Pakistan. These sources provide both the material record of policy outcomes and the discursive record of strategic positioning, enabling direct comparison between rhetoric and reality.

The analytical approach centres on juxtaposing geoeconomic discourse against material behaviour patterns across both dependencies simultaneously. Temporal sequencing examines whether shifts in discourse precede, coincide with, or follow changes in material policy. Gap identification systematically catalogues instances where official statements diverge from documented actions. Leverage mapping traces the mechanisms through which both the United States and China exercised constraint over Pakistani policy autonomy. The FARA document serves as the critical test case: appearing in May 2025, four years after the geoeconomic pivot was announced, it provides a unique window into Pakistan's private diplomatic positioning as distinct from its public rhetoric.

Operationalising the Framework

Genuine agency would manifest in: diversification beyond bilateral dependencies, successful debt renegotiations, policy deviations from conditionality requirements, and infrastructure generating sustainable growth.

The official discourse of geoeconomics can be found in the speeches of the elite leadership, policy documents, diplomatic statements, and strategic communication products that emphasise sovereignty, regional connectivity, strategic diversification, non-alignment, and investment-driven development. Such narratives do not necessarily serve strategic autonomy but instead act as political and diplomatic instruments for managing the legitimacy costs of continued structural dependence. Thereby, these discursive claims are systematically compared with material policy outcomes, including persistent dependence on the IMF, compliance with external conditionalities, limited capacity for diversification, and ongoing implementation gaps. Rhetorical positioning appears through persistent IMF dependence, acceptance of conditional lending, inability to diversify partners, and gaps between announced initiatives and implementation.

Process tracing these timelines enables identification of critical junctures: Pakistan's 2019 return to the IMF despite two years of geoeconomic rhetoric about economic autonomy; the 2022 IMF programme suspension and subsequent acceptance of intensified conditionalities despite continued non-alignment claims; the persistence of CPEC debt rollover dependencies through 2023-2025 despite rhetorical emphasis on partnership rather than dependence; and the May 2025 FARA filing's transactional offers appearing precisely when geoeconomic discourse should have crystallised into substantive autonomy. The approach examines three concurrent timelines to capture how dual dependencies compound. The 2010-2025 frame contextualises geoeconomic discourse within preceding constraints. The FARA document provides empirical scrutiny of rhetorical claims through private diplomatic positioning.

US-Pakistan Relations Timeline (2010–2025)

Post-Abbottabad Deterioration (2011–2016)

The unilateral US raid that killed Osama bin Laden on May 2, 2011, fundamentally transformed the US-Pakistan relationship. Navy SEAL Team Six's operation in Abbottabad, conducted without Pakistani knowledge just half a mile from the country's premier military academy, generated immediate sovereignty concerns that shaped bilateral dynamics for years afterwards.²¹ The Obama administration moved swiftly to impose consequences after Operation Neptune Spear, in which the US military killed Osama bin Laden in Abbottabad, Pakistan. On July 10, 2011, the White House suspended approximately \$800 million in military aid. "Pakistan's actions have given us reason to pause," White House Chief of Staff William Daley stated, establishing a template for aid conditionality that would persist for over a decade.²²

The November 26, 2011, Salala incident, a NATO airstrike that killed twenty-four Pakistani soldiers, demonstrated that Pakistan retained some counter-leverage capacity. Islamabad immediately closed both NATO supply routes into Afghanistan, through which approximately 40% of non-lethal coalition supplies transited. The supply route crisis was resolved on July 3, 2012 following Secretary of State Hillary Clinton's formal apology. However, Congress enacted Section 1227 of the FY2013 National Defence Authorisation Act, which prohibited any Coalition Support Fund reimbursements for the closure period and established new certification requirements linking future payments to Pakistani actions against al-Qaeda, the Taliban, and the Haqqani Network.²³

Post-Abbottabad Operation, the deterioration in the bilateral relationship between US-Pakistan went on further, and even the IMF exercised sustained influence over Pakistani policy autonomy through structural adjustment requirements. The newly elected Pakistan Muslim League (N) government secured a \$6.64 billion Extended Fund Facility approved on September 4, 2013, Pakistan's first successful IMF programme completion in decades. The thirty-six-month programme imposed extensive conditionalities, including raising the tax-to-GDP ratio, eliminating energy subsidies that consumed 1.9% of GDP, strengthening the State Bank of Pakistan's independence, and executing a privatisation agenda targeting state-owned enterprises.²⁴

Trump Era Transactional Pressures (2017–2020)

President Trump's inauguration brought the most aggressive use of security assistance leverage since the 1990s nuclear sanctions era. On January 1, 2018, Trump announced via X (then Twitter) the suspension of security assistance to Pakistan, accusing Islamabad of "lies & deceit." The administration suspended nearly \$1.3 billion in annual security assistance.²⁵ In March 2018, Congress rescinded \$500 million in Coalition Support Fund (CSF) reimbursements. On September 1-2, 2018, the Pentagon officially cancelled the remaining \$300 million in suspended CSF funds. The FY2020 National Defence Authorisation Act subsequently disallowed any CSF reimbursements to Pakistan entirely, effectively ending the programme that had transferred approximately \$14-15 billion since 2001.²⁶ The administration quietly terminated International Military Education and Training programming in August 2018, cutting virtually all military assistance programmes simultaneously.²⁷ A parallel pressure campaign operated through the FATF. On June 28, 2018, the FATF plenary placed Pakistan on its grey list of jurisdictions with "strategic counter-terrorist financing-related deficiencies." US diplomacy proved decisive: Washington convinced Saudi Arabia and China to withdraw opposition, enabling the June consensus.²⁸ The grey listing imposed a twenty-seven-point action plan requiring Pakistan to freeze funds of UN-designated entities, pursue legal action against designated groups, and demonstrate prosecutions. Research estimates suggest cumulative GDP losses of approximately \$38 billion from 2008 to 2019 during Pakistan's grey-listing periods.²⁹ Pakistan remained on the grey list through fourteen consecutive plenary reviews over four years. Following prosecutions of Hafiz Saeed and Sajid Mir and an on-site verification visit in September 2022, the FATF plenary on October 21, 2022, removed Pakistan from the grey list by consensus.³⁰

Biden Era and IMF Dependencies (2021–2025)

The convergence of security assistance suspension, FATF grey listing, and structural economic weaknesses forced Pakistan back to the IMF for a new \$6 billion Extended Fund Facility approved July 3, 2019. The programme's conditionalities were more extensive than any previous arrangement, requiring a market-determined exchange rate, eliminating central bank financing of budget deficits, implementing a Circular Debt Management Plan for the energy sector, and strengthening the anti-money laundering framework for FATF compliance.³¹ The programme proved exceptionally difficult to complete. COVID-19 forced the suspension in April 2020. Policy differences triggered additional suspensions in March 2021 and from November 2022 through June 2023. The programme expired, having disbursed only approximately \$3.9 billion of the authorised \$6.5 billion.³²

Pakistan secured a nine-month \$3 billion Stand-By Arrangement approved on July 12, 2023. This bridge programme required FY24 budget implementation with a primary surplus target of 0.4% of GDP and return to market-determined exchange rates. Both reviews were completed successfully, with the programme concluding in April 2024 and doubling gross reserves from \$4.5 billion to \$8 billion.³³ The current \$7 billion Extended Fund Facility was approved on September 25, 2024, representing the most comprehensive conditionality package yet. Novel requirements include a "National Fiscal Pact" mandating federal-provincial revenue cooperation, agricultural income tax harmonisation effective January 1, 2025, integration of exporters into regular tax regimes, phase-out of Special Economic Zone (SEZ) incentives, and elimination of agricultural support prices. The first review was completed on May 9, 2025, with an additional \$1.4 billion Resilience and Sustainability Facility.³⁴

The August 2021 Taliban takeover of Afghanistan removed the primary rationale for US-Pakistan strategic engagement, enabling the Biden administration to deprioritise the relationship. President Biden became the only US president in modern history to never call a Pakistani prime minister during his tenure. At a Democratic fundraiser in October 2022, Biden described Pakistan as "maybe one of the most dangerous nations in the world" due to "nuclear weapons without any cohesion." Security assistance remained effectively frozen, limited to International Narcotics Control and Law Enforcement funding (approximately \$26 million annually) and restored but minimal IMET programming (approximately \$3-4 million annually).³⁵ The sole exception was the September 2022 approval of a \$450 million Foreign Military Sale to sustain Pakistan's F-16 fleet, the largest security assistance since the 2018 suspension, framed as counterterrorism capability maintenance.³⁶

President Trump's March 4, 2025, address to Congress marked a dramatic departure from his first-term approach. During the longest presidential joint session speech in history, Trump announced the arrest of Mohammad Sharifullah, the ISIS-Khorasan commander responsible for the August 2021 Abbey Gate bombing that killed thirteen US service members. "I want to thank, especially, the government of Pakistan for helping arrest this monster," Trump stated, crediting Pakistani cooperation with CIA intelligence. The arrest, accomplished near the Pakistan-Afghanistan border following discussions between CIA Director John Ratcliffe and ISI head Lieutenant General Asim Malik, represented precisely the counterterrorism cooperation that previous administrations had demanded as a precondition for improved relations.³⁷

The June-December 2025 period brought unprecedented engagement: Trump hosted Army Chief Munir (June), imposed a favourable 19% tariff (July), designated the Baloch Liberation Army as a

terrorist organisation (August), welcomed Prime Minister Sharif (September), and approved \$686 million in F-16 modernisation (December 8).³⁸

The fifteen-year record reveals a sophisticated leverage architecture operating through three interlocking mechanisms. Security assistance conditionality proved most visible but episodic, with dramatic suspensions followed by gradual relaxation as geopolitical circumstances evolved. IMF programme requirements exercised more sustained influence over domestic economic policy, constraining fiscal discretion, monetary independence, and subsidy programmes through multi-year structural adjustment packages. FATF regulatory pressure demonstrated how international institutional mechanisms could multiply bilateral leverage. The 2025 reset suggests that leverage operates most effectively through specific, verifiable cooperation requirements rather than blanket demands.³⁹

China-Pakistan Relations Timeline (2013–2025)

CPEC Launch and Early Optimism (2013–2018)

The CPEC emerged as the flagship project of China's Belt and Road Initiative, transforming Pakistan's relationship with Beijing from a primarily security partnership into a comprehensive economic entanglement. On May 16-23, 2013, during Premier Li Keqiang's visit to Pakistan, Gwadar Port was transferred to Chinese operation. The original CPEC memorandum of understanding was signed on July 5, 2013. President Xi Jinping's historic visit to Pakistan on April 20-21, 2015, marked CPEC's formal launch with an announced value of \$46 billion, later adjusted to \$62 billion.

The financing structure established during this period would prove consequential: government concessional loans carried 2% interest with a twenty-year maturity and five-year grace periods, whilst commercial and buyer's credit loans demanded 5.2% interest over twenty years with debt-to-equity ratios of 75:25 to 80:20. Major project initiations in 2015 included energy generation facilities, transportation infrastructure, and Gwadar Port development. Critically, Pakistan waived competitive bidding requirements for Chinese projects, eliminated standard procurement transparency, and provided sovereign guarantees on all Independent Power Producer loans, exposing national finances to contingent liabilities that would become increasingly burdensome.⁴⁰ This period marked the apex of CPEC optimism: Pakistan's external debt crossed \$96.7 billion with Chinese commercial loans of \$4 billion added during 2017-18, but the prevailing narrative emphasised transformational opportunity rather than dependency risks.⁴¹

Implementation Challenges and Debt Concerns (2018–2022)

September 2018 marked a turning point as Imran Khan's newly elected government signalled renegotiation intent, raising concerns about project transparency, debt sustainability, and unfavourable terms. The 2018-2019 IMF programme negotiations forced greater transparency around CPEC obligations, revealing the scale of contingent liabilities and capacity payment commitments that had accumulated. In October 2019, Pakistan established the CPEC Authority to coordinate implementation, implicitly acknowledging earlier governance deficiencies.⁴²

The COVID-19 pandemic through 2020 crystallised the capacity payment crisis: Chinese Independent Power Producers (IPP) were owed mounting payments regardless of electricity dispatch due to take-or-pay contract structures. Pakistan participated in the G20 Debt Service Suspension Initiative and sought debt rollovers from China, revealing its inability to service obligations through its own resources.⁴³ By 2022, Chinese IPPs threatened to suspend operations due to unpaid arrears, demonstrating how capacity payment obligations created recurring leverage points for Beijing. Pakistan's debt to China surged from approximately \$4 billion in 2013 to \$27-30 billion by 2024, representing 22-27% of total external debt. Of ninety planned CPEC projects, only thirty-eight reached completion by 2025, whilst capacity payments to Chinese power plants ballooned to PKR 2.1 trillion annually, a 450% increase from pre-CPEC levels.

Current Phase and Lock-In Dynamics (2022–2025)

The tenth anniversary of CPEC in 2023 prompted stocktaking that revealed sobering realities. Key completions that year included the Matiari-Lahore High Voltage Direct Current transmission line (\$1.66-2.1 billion), which locked southern generation to central consumption patterns for twenty-five years, creating infrastructure path dependencies that would persist regardless of future policy preferences. September 2024 saw Suki Kinari Hydropower become operational, one of the few CPEC projects generating electricity without requiring imported coal.⁴⁴

Premier Li Qiang's October 2024 visit to Pakistan focused substantially on debt restructuring negotiations, reflecting Pakistan's inability to service obligations without Chinese forbearance. Security concession escalation through 2024-2025 saw Pakistan dedicate thirty thousand troops (two divisions) to CPEC security whilst permitting Chinese security personnel deployment, representing sovereignty concessions driven by Beijing's security demands. September 2025 brought the launch of CPEC 2.0, emphasising agriculture, information technology, and mining, though financing details remained opaque.⁴⁵

The debt trajectory from 2013 to 2025 reveals structural lock-in: annual debt service to China during 2019-2022 reached \$14.7 billion in repayments due, with over 80% of Pakistan's bilateral debt service flowing to Beijing from July 2021 through March 2022. This created recurring leverage points where Pakistan required annual rollovers of \$2-3.4 billion in Chinese deposits and commercial loans to maintain foreign exchange reserves, giving Beijing extraordinary influence over Pakistan's macroeconomic stability.⁴⁶

Documented Chinese leverage instruments included payment conditionality, where Chinese banks linked new financing to settlement of IPP arrears, creating circular dependency between fresh loans and outstanding obligations. Rollover dependency meant Pakistan required annual Chinese cooperation simply to avoid a balance of payments crisis. Take-or-pay obligations ensured capacity payments of \$540 million monthly flowed to Chinese power plants regardless of electricity dispatch, creating fixed outflows that reduced fiscal flexibility. Project financing control was demonstrated by ML-1 railway's decade-long stall, showing China's ability to withhold major infrastructure investment when terms were unfavourable.

Pakistani concessions documented through this period included revenue surrender at Gwadar Port under a 91% split, meaning Pakistan received approximately \$200,000 annually from its sole deep-water strategic asset. Tax exemptions included a twenty-three-year income tax, sales tax, and customs duty exemptions for the China Overseas Ports Holding Company, ten-year tax holidays for SEZs, and approximately \$200 million in exemptions for the Multan-Sukkur motorway alone. Guaranteed returns of 27-34% return on equity for Chinese IPPs created approximately \$2.4 billion in annual current account outflows. Security commitments of thirty thousand dedicated troops and Chinese security personnel deployment represented sovereignty concessions and a significant budgetary commitment.⁴⁷

The most significant unrealised project, the ML-1 Railway, demonstrated dependency limits: after nearly a decade of negotiations, China withdrew financing support in 2025 when Pakistan could not meet the terms. Pakistan now seeks Asian Development Bank funding for this critical connectivity project, illustrating that CPEC's promise of transformational infrastructure development remained substantially unfulfilled despite fifteen years of partnership rhetoric.⁴⁸

The evidence suggests structural economic dependency rather than deliberate debt trap diplomacy. Pakistan's debt to China created measurable constraints through capacity payment obligations, revenue-sharing asymmetries, guaranteed return commitments, and debt rollover requirements that fundamentally limit policy autonomy. However, the pattern differs from simplistic debt trap narratives: China has consistently rolled over obligations rather than demanding asset transfers, maintained rhetorical support through five Pakistani governments, and accepted project cancellations and renegotiation attempts. The dependency is structural and economic rather than overtly coercive – Pakistan's reduced sovereignty stems from unfavourable contract terms negotiated by its own governments, not from Chinese seizure of assets. Yet the outcome remains the same: Pakistan operates within severe constraints created by this economic relationship.

Geoeconomic Discourse Timeline (2021–2025)

The Rhetorical Shift (2021–2022)

General Qamar Javed Bajwa's March 18, 2021, speech at the first Islamabad Security Dialogue represented the foundational articulation of Pakistan's geoeconomic pivot. The speech established an intellectual framework explicitly repositioning Pakistan away from traditional security-centric foreign policy toward economic integration and regional connectivity. Bajwa articulated a broadened national security concept: "It is an almost universally acknowledged fact that the contemporary concept of national security is not only about protecting a country from internal and external threats but also providing a conducive environment in which aspirations of human security, national progress, and development could be realised."⁴⁹

The speech outlined four core pillars: moving toward lasting peace within and outside Pakistan, non-interference in neighbours' internal affairs, boosting intra-regional trade and connectivity, and bringing sustainable development through investment and economic hubs. Bajwa explicitly addressed the defence-versus-development trade-off: "Despite being one of the most impoverished regions of the world, we end up spending a lot of money on our defence, which naturally comes at the expense of

human development... we are ready to improve our environment by resolving all our outstanding issues with our neighbours through dialogue." Most significantly, he framed Pakistan's strategic objective as shifting "from geo-political contestation to geo-economic integration."

Prime Minister Imran Khan amplified this messaging throughout 2021. His June 20, 2021, HBO Axios interview with Jonathan Swan produced the categorical rejection of US military bases: "Absolutely not. There is no way we are going to allow any bases, any sort of action from Pakistani territory into Afghanistan." Foreign Minister Shah Mahmood Qureshi's September 21, 2021, Council on Foreign Relations speech explicitly positioned geoeconomics as Pakistan's new strategic orientation: "And there is a shift in our focus. We are focusing on geoeconomics, on geopolitics. Now, that's a huge shift in mindset." Qureshi emphasised that Pakistan sought "opportunities of investment" rather than assistance or "a dole-out."

The December 14, 2021, Margalla Dialogue saw Qureshi state: "With the intensification of competition between established and emerging powers, which has made world peace fragile and the direction of diplomacy unpredictable, Pakistan has made a strategic pivot from geopolitics to geoeconomics." He emphasised that "positioning Pakistan as a geoeconomic centre with unparalleled regional connectivity has to come as a mindset, top down."⁵⁰

The January 14, 2022, launch of Pakistan's National Security Policy (NSP) represented the institutionalisation of the geoeconomic discourse. Prime Minister Khan's foreword articulated "boldly defined and clearly articulated goals as a self-respecting, sovereign, and inclusive state," whilst National Security Adviser Dr. Moeed Yusuf described it as "a clear and bold vision, emphasising a geo-economic paradigm that supplements our geo-strategic approach." The NSP formally established "economic security at the core" and declared Pakistan did not subscribe to "camp politics."⁵¹

At the Second Islamabad Security Dialogue on April 1-2, 2022, General Bajwa stated: "Pakistan will benefit if we improve ties with India. We have wasted seventy years; it is time to move on... We want development first." He emphasised: "Pakistan does not believe in camp politics."⁵²

Articulation of Non-Alignment (2022–2023)

Prime Minister Shehbaz Sharif's government, which took office in April 2022, maintained the geoeconomic rhetoric. Before his first China visit on November 1-2, 2022, Sharif tweeted about "revitalisation of CPEC" and the "second phase of CPEC promises to usher in a new era of socio-economic progress."⁵³ Foreign Minister Bilawal Bhutto Zardari's December 20, 2022, Atlantic Council appearance emphasised Pakistan's desire to move beyond counterterrorism-focused relations with the US, imagining Pakistan becoming "a hub between Southeast Asian and Central Asian nations."⁵⁴

General Asim Munir, who succeeded Bajwa as Army Chief in November 2022, continued the economic prioritisation messaging. At Khanewal Model Agriculture Farm on July 24, 2023, Munir declared: "Pakistanis are a proud, zealous, and talented nation. All Pakistanis must throw out the beggar's bowl." At the August 1, 2023, Pakistan Mineral Summit, he emphasised that "security and the economy are interlinked and indispensable to each other," whilst highlighting the Special

Investment Facilitation Council's (SIFC) establishment to "ensure an investor-friendly system."⁵⁵ Meeting business leaders in Lahore on September 3, 2023, General Munir highlighted the pivotal role of the SIFC, emphasising its potential to attract substantial investments of up to \$100 billion."⁵⁶

Caretaker Prime Minister Kakar's September 2023 UN General Assembly address stated: "Geo-politics is resurging when geo-economics should be at the top of the international agenda." He warned: "The world cannot afford Cold War 2.0... challenges confronting humankind demand global cooperation and collective action."⁵⁷

Persistence Despite Constraints (2024–2025)

Prime Minister Shehbaz Sharif's April 28-29, 2024, World Economic Forum appearance in Riyadh declared: "We have to stand on our own feet, which is difficult but not impossible." His second China visit from June 4-8, 2024, saw declarations that "no force can stop China's development and growth or shake the iron-clad friendship between Pakistan and China." At the September 27, 2024, UN General Assembly session, Sharif warned that "we feel the chill of a new Cold War" and declared the "international financial architecture is morally bankrupt."⁵⁸

Finance Minister Muhammad Aurangzeb's January 21, 2025, World Economic Forum appearance in Davos emphasised Pakistan's "Uraan Pakistan" economic transformation plan, aiming for "sustainable, export-led six percent GDP growth by 2028." His April 2025 Washington visit represented perhaps the most sophisticated articulation of Pakistan's geoeconomic positioning. At the Atlantic Council GeoEconomics Center fireside chat on April 22-23, 2025, Aurangzeb stated: "The crux of our strategy with the IMF involves not just temporary relief but laying the groundwork for enduring stability and economic resilience." His April 25, 2025, Reuters interview declared: "Pakistan has reached a critical turning point, with macroeconomic stability, sustained reforms and policy continuity restoring confidence."⁵⁹

Foreign Minister Ishaq Dar's policy statements throughout 2025 maintained the geoeconomic framework: "Pakistan's current foreign policy's focus is on geo-economics, calling for the reimagining of regional cooperation within South Asia." He emphasised, "Our foreign policy is now geared towards securing Pakistan's economic future. Promoting trade, attracting investment, encouraging remittance flows, and forming strategic development partnerships are top priorities."⁶⁰

The documentary record reveals remarkably consistent messaging across Pakistan's military, political, and diplomatic leadership from 2021 to 2025, despite significant political turbulence. The geoeconomic pivot was formally articulated by General Bajwa and institutionalised through the NSP in 2021-2022. Finance Minister Aurangzeb's 2024-2025 international engagements showcased sophisticated economic diplomacy messaging emphasising green finance, export-led growth, and "partnerships not aid." The "from geopolitics to geoeconomics" formulation became Pakistan's dominant foreign policy brand, signalling non-alignment to great powers, prioritising economic engagement over security commitments, and asserting Pakistani agency in navigating an increasingly competitive international environment.

FARA Document Analysis

Context and Significance

On May 15, 2025, Squire Patton Boggs filed correspondence with the US Department of State under the FARA, identifying itself as "a registered agent of the government of Pakistan under FARA."⁶¹ The filing, submitted by Paul W. Jones, a retired US Ambassador serving as International Affairs Advisor, sought State Department feedback on a one-page outline titled "A Renewed Pakistan – United States Relationship." The document arrived precisely four years after General Bajwa's March 2021 Islamabad Security Dialogue speech that had launched Pakistan's geoeconomic pivot and non-alignment rhetoric. The FARA document also reflected continuities with earlier phases of the Pakistan-US engagement examined in preceding sections. Where the discourse on geoeconomics and non-alignment surfaced more frequently in the policy circles post-2021, Pakistan's dependence on transactional bargaining with the external powers has a history, particularly during the periods of economic vulnerability and strategic pressure. Therefore, the FARA document does not represent a complete departure from the past, rather the re-emergence of longstanding dependency-management practices beneath a newer geoeconomic narrative.

The timing proves revealing. By May 2025, Pakistan's geoeconomic discourse should have crystallised into substantive policy autonomy if the rhetoric reflected genuine strategic transformation. Instead, the FARA filing reveals Pakistan engaging professional lobbying representation to pitch relationship renewal to Washington through explicitly transactional offers. The document itself serves as a unique window into Pakistan's private diplomatic positioning, distinct from the public rhetoric of non-alignment and economic prioritisation that had defined official statements since 2021.

The significance extends beyond the document's content to its very existence. States confident in their strategic autonomy and genuinely pursuing non-alignment between great powers do not typically engage American lobbying firms to craft relationship renewal proposals emphasising their willingness to serve US interests. The act of filing under FARA, requiring detailed disclosure of foreign principal representation, itself contradicts the carefully cultivated image of Pakistan as an independent actor navigating great power competition on its own terms.

Content Analysis

The FARA document structures its proposals around four thematic pillars: Trade & Investment, Financial Modernisation, Security, and Geopolitical. Each pillar contains specific, actionable commitments that Pakistan offered to undertake to improve bilateral relations. The framing explicitly positions Pakistan as prepared "to take significant actions to renew its bilateral relationship with the United States based on shared interests," whilst noting that "a clear, forward-looking agenda will serve the core interests of both nations."

Under Trade & Investment, the document declares: "Pakistan recognises the importance of fair global trade and is prepared to help balance the trade deficit." Specific commitments include Pakistan's preparedness "to buy significantly more US exports, including agricultural and energy, and lower

tariffs on US products." Pakistan offers "large US investors access to the SIFC, jointly chaired by the Prime Minister and Army Chief, to fast-track permitting and government support for strategic investments." Most significantly, Pakistan seeks "to become a preferred US partner for critical minerals based on its extensive reserves in copper, lithium, cobalt, nickel, and various rare earths valued in the trillions of dollars," pursuing "a bilateral critical minerals agreement with the US that would benefit both the national security of the US and Pakistan's economy."

The Financial Modernisation section states: "Pakistan seeks to partner with the US to modernise its financial infrastructure." This encompasses opportunities for "US fintech and broadband companies" as "Pakistan's largely cash economy is poised for digitisation." The document notes Pakistan "would welcome US support to improve debt sustainability and financial transparency," whilst highlighting Finance Minister Muhammad Aurangzeb's April 2025 Washington visit, where he "underscored Pakistan's commitment to structural reforms."

Under Security, the most striking language appears: "Pakistan is prepared to double down on its commitment to counter-terrorism cooperation with the US." The document emphasises Pakistan's demonstration of "capability and commitment to counter-terrorism by arresting and expelling to the US the Abbey Gate ISIS bomber who killed thirteen American soldiers," noting that "President Trump thanked Pakistan for this assistance in his speech to a Joint Session of Congress in March 2025." Pakistan declares it is "prepared to do more with the US against ISIS and assist in retrieving US military weapons and equipment left behind in Afghanistan." Most significantly, Pakistan "seeks more US collaboration against the Tehreek-e-Taliban Pakistan (TTP), whose terrorist attacks aim to establish a Taliban regime in Pakistan."

The Geopolitical pillar contains the document's most revealing hedging language. It states: "Pakistan seeks a bilateral US relationship that stands on its own merits, not dependent on US relations with Pakistan's neighbours." Regarding China, the document acknowledges: "Pakistan's longstanding relationship with China is based on geographic location and does not inhibit Pakistan's offering the US concrete economic and counter-terrorism opportunities." On India, it asserts: "Pakistan also believes that the US-India relationship should in no way inhibit stronger US-Pakistan ties."

Strategic Positioning Revealed

The FARA document's strategic positioning reveals fundamental tensions with four years of geoeconomic rhetoric emphasising non-alignment and autonomy. The transactional framing, offering to purchase more American products, providing critical minerals access, intensifying counterterrorism cooperation, and fast-track US investor approvals, positions Pakistan as seeking favour through concrete deliverables rather than engaging as an autonomous actor with inherent strategic value.

The critical minerals proposal deserves particular scrutiny. Pakistan offers to "become a preferred US partner for critical minerals," seeking "a bilateral critical minerals agreement with the US that would benefit both the national security of the US and Pakistan's economy." This language mirrors the framework of US critical minerals partnerships with Australia and other close allies – relationships characterised by strategic alignment rather than non-alignment. The proposal effectively positions

Pakistan within American supply chain security architecture, a stance difficult to reconcile with claims of equidistance between Washington and Beijing.⁶²

The security pillar's language about "doubling down" on counterterrorism cooperation contradicts the confident rhetoric of 2021. When Prime Minister Khan told HBO Axios, "Absolutely not" regarding US military bases, and when officials emphasised Pakistan's refusal to provide cooperation that compromised sovereignty, they projected a posture of setting boundaries with Washington. The FARA document instead emphasises Pakistan's eagerness to intensify cooperation, assist in retrieving American military equipment from Afghanistan, and collaborate against groups that threaten US interests. The tone shifts from boundary-setting to opportunity-offering.⁶³

Perhaps most revealing is the hedging language regarding China. The document acknowledges "Pakistan's longstanding relationship with China" but immediately qualifies that this "does not inhibit Pakistan's offering the US concrete economic and counter-terrorism opportunities." This defensive framing suggests Pakistan anticipates American concerns about its China ties and seeks to reassure Washington that the relationship poses no obstacle to US-Pakistan cooperation. States genuinely practising non-alignment typically do not feel compelled to reassure one great power that their relationship with another does not compromise their utility.

The Rhetoric-Reality Gap Exposed

Instead of reflecting a complete departure from the earlier patterns of Pakistan's external engagement, the FARA filing illustrates how longstanding practices of transactional diplomacy have been reframed through the newer language of geoeconomic and strategic autonomy. The FARA document exposes a fundamental gap between Pakistan's geoeconomic rhetoric (2021-2025) and its documented diplomatic behaviour. Four years of official statements emphasised Pakistan's strategic autonomy, its refusal to choose between great powers, and its focus on economic integration over security alignments. Foreign Minister Qureshi told the Council on Foreign Relations in September 2021 that Pakistan sought "opportunities of investment" rather than "assistance" or "a dole-out." General Bajwa repeatedly emphasised that "Pakistan does not believe in camp politics." Prime Minister Khan categorically rejected US military cooperation requests. Finance Minister Aurangzeb spoke confidently of Pakistan's economic transformation and partnerships based on mutual benefit rather than dependence.

Yet in May 2025, Pakistan's registered agent submitted a document to the State Department proposing to balance trade by purchasing more American exports, providing US investors fast-tracked access through SIFC, double down on counterterrorism cooperation, including equipment retrieval from Afghanistan, and pursue a critical minerals agreement positioning Pakistan within American supply chains.

The gap becomes most apparent when juxtaposing specific claims against documented offers. In March 2021, General Bajwa emphasised moving "from geo-political contestation to geo-economic integration," suggesting Pakistan would prioritise economic partnerships over traditional security relationships. In May 2025, the FARA document leads with security cooperation proposals, offering to "double down" on counterterrorism and assist in retrieving US military equipment. In June 2021,

Prime Minister Khan told HBO that Pakistan would provide "absolutely not" any bases or military cooperation to Washington. In May 2025, Pakistan's lobbyist emphasizes Pakistan's willingness to intensify security cooperation and assist US objectives in Afghanistan.⁶⁴

The critical minerals proposal deserves particular emphasis as evidence of the rhetoric-reality gap. Throughout 2021-2025, Pakistani officials emphasised Pakistan's partnerships with both China and the US, suggesting these relationships operated on parallel tracks without forcing choices between Washington and Beijing. Yet the May 2025 proposal to become "a preferred US partner for critical minerals" through "a bilateral critical minerals agreement" explicitly seeks to position Pakistan within American strategic supply chain architecture. The proposal cannot be reconciled with genuine non-alignment between Washington and Beijing.

The FARA document's coming to existence four years post announcement of the geoeconomics pivot indicates less of a transformation in Pakistan's external behaviour than an adaptation in how the country's existing course of action is publicly framed. Earlier periods of US-Pakistan engagement also had transactional bargaining and strategic concessions during periods of economic and security vulnerabilities, but then the discourse of geoeconomic autonomy and non-alignment was not really aggressive. Hence, the 2021-2025 period appears distinctive not only because substantive dependence disappeared but also because changing domestic expectations, regional competition, and great power rivalry increased the political and diplomatic value of the projecting strategic agency rhetorically, whilst continuing to negotiate within enduring structural constraints.

Explaining the Gap

Synthesizing Evidence

The evidence across US-Pakistan relations, China-Pakistan economic integration, and geoeconomic discourse reveals a striking pattern: as material constraints intensified through 2010-2025, rhetorical claims of autonomy and non-alignment grew proportionally stronger. This inverse relationship between constraint accumulation and discourse intensification contradicts expectations that genuine strategic transformation would produce convergence between rhetoric and material behaviour. Rather than reflecting achieved autonomy, this intensification of geoeconomic rhetoric appears to have functioned as a strategy for projecting agency, maintaining domestic and diplomatic legitimacy, and negotiating greater flexibility within persistent structural constraints. General Bajwa's March 2021 declaration of Pakistan's shift "from geo-political contestation to geo-economic integration" coincided with Pakistan's twenty-third IMF programme. The January 2022 NSP proclaiming Pakistan "does not subscribe to camp politics" emerged whilst Pakistan remained on the FATF grey list, facing American-led international pressure. Finance Minister Aurangzeb's April 2025 confident assertions of Pakistan achieving "a critical turning point" preceded by one month the FARA filing, revealing Pakistan offering to balance trade deficits by purchasing American exports, double down on counterterrorism cooperation, and pursue critical minerals agreements positioning Pakistan as willing to fall within US supply chains.

Dual Dependencies, Singular Rhetoric

Pakistan's position by 2025 reveals dual dependencies operating through distinct but complementary mechanisms. American leverage functions primarily through institutional conditionalities: IMF programme requirements that constrain fiscal and monetary policy, FATF compliance demands that shape counterterrorism prosecutions and financial regulations, and security assistance conditionality that links military support to cooperation on Washington's priorities. Chinese leverage operates through structural economic obligations: capacity payment commitments requiring fixed monthly outflows, debt rollover dependencies giving Beijing recurring veto power over Pakistan's external position, and infrastructure contracts with guaranteed returns creating long-term current account drains. These dependencies compound rather than offset each other. The 2024-2025 period saw both dependencies operating simultaneously: Pakistan completing its twenty-fourth IMF programme (September 2024 \$7 billion EFF) whilst negotiating Chinese debt restructuring (Premier Li Qiang's October 2024 visit) and issuing China-denominated bonds.

Yet Pakistan deployed a singular rhetoric that claimed to transcend both dependencies. The geoeconomic discourse emphasised Pakistan's agency, its economic prioritisation, its refusal of camp politics, and its capacity to navigate great power competition on its own terms. The May 2025 FARA filing exposes how this singular rhetoric masked dual dependencies. The document proposed relationship renewal with Washington through offers that revealed Pakistan's continued constraint: purchasing more American exports to balance trade, seeking US support for "debt sustainability and financial transparency," doubling down on counterterrorism cooperation, and pursuing critical minerals agreements. Yet just one month earlier, Finance Minister Aurangzeb had told the Atlantic Council that Pakistan had achieved "a critical turning point" with "macroeconomic stability" enabling "export-led growth." The gap between Aurangzeb's confident April rhetoric and Pakistan's May FARA proposals reveals geoeconomic discourse functioning as projection rather than description.

Rhetorical Positioning as Limited but Real Agency

The evidence demonstrates that Pakistan's geoeconomic discourse represents rhetorical positioning within constraints rather than genuine strategic transformation. This finding should not be misinterpreted as evidence of complete Pakistani impotence or purely fictive rhetoric. Rhetorical positioning itself constitutes a form of limited agency – an attempt by middle powers to create negotiating space, signal preferences, and shape the terms of asymmetric relationships even when unable to fundamentally alter material dependencies.

The rhetoric produced some tangible outcomes that distinguish it from purely fictive discourse. Pakistan successfully secured FATF grey list removal in October 2022 following four years of sustained effort, demonstrating the capacity to meet international regulatory requirements despite constraints. The Biden administration's September 2022 approval of \$450 million in F-16 sustainment followed Pakistani diplomatic efforts emphasising counterterrorism cooperation. The Trump administration's 2025 engagement reset followed Pakistan's demonstrable counterterrorism cooperation with the Abbey Gate arrest. Additionally, the rhetoric also served as a tool for investor

signalling that was later evident in the Trump administration's excessive interest in exploring mineral resources in Pakistan.⁶⁵

Regarding China, Pakistan successfully negotiated project cancellations and renegotiation attempts that Beijing accepted despite contractual obligations. The ML-1 railway stalled for a decade before China withdrew financing in 2025 without demanding penalties. Premier Li Qiang's October 2024 visit focused on debt restructuring negotiations, suggesting Beijing recognised the need for accommodation to preserve the strategic partnership. These outcomes indicate that whilst Pakistan operated within severe constraints, it retained some negotiating capacity shaped partly by how it framed the relationship rhetorically.

The key analytical insight is that rhetorical positioning and structural constraint operate simultaneously rather than as binary alternatives. Pakistan faced genuine dependencies on both Washington and Beijing that fundamentally limited policy autonomy, a fact documented through the timelines and exposed by the FARA filing. Yet within these constraints, Pakistan deployed geoeconomic discourse strategically to create negotiating space, signal preferences, maintain domestic legitimacy, and potentially extract better terms than purely supplicant postures might have achieved. The rhetoric was neither purely fictive (it produced some tangible outcomes) nor genuinely transformational (material dependencies persisted unchanged).

Alternative Explanations Considered

Three alternative explanations warrant consideration: temporal lag between discourse and implementation, deliberately deceptive rhetoric, and domestic audience costs driving rhetoric disconnected from foreign policy.

The temporal lag explanation that genuine intentions need time to manifest fails because four years suffice for observable changes. Pakistan completed multiple IMF programmes and CPEC renegotiations during this period. The 2025 FARA document contradicts rather than extends the 2021 vision, while dependence on both powers deepened rather than decreased.

The deliberate deception explanation posits that Pakistani leadership deployed geoeconomic rhetoric knowing it was false, intending to mislead one or both great powers. This explanation proves difficult to sustain. Pakistan's geoeconomic discourse was public, widely disseminated, and consistently articulated, circumstances poorly suited to deception of sophisticated intelligence services capable of monitoring Pakistan's actual behaviour. More fundamentally, the explanation misunderstands the rhetoric's function: Pakistan's geoeconomic discourse primarily served to project agency and autonomy rather than to conceal specific policy commitments. Deception implies intent to induce behaviour through false information; Pakistan's rhetoric instead attempted to shape perceptions of Pakistan's strategic value and positioning.

The domestic audience costs explanation suggests that Pakistani leadership deployed geoeconomic rhetoric primarily for domestic consumption, projecting confidence and sovereignty to Pakistani audiences without intending the rhetoric to reflect foreign policy implementation. This explanation

captures partial truth but proves insufficient. Domestic legitimacy considerations clearly shaped rhetorical choices, particularly General Munir's "throw out the beggar's bowl" exhortations and Finance Minister Aurangzeb's optimistic growth projections. However, the rhetoric was consistently deployed in international forums, suggesting foreign policy signalling rather than purely domestic messaging. If domestic audience costs alone drove the rhetoric, we would expect divergence between domestic and international messaging; instead, Pakistani officials maintained consistent geoeconomic framing regardless of audience.

The evidence best supports the rhetorical positioning interpretation: Pakistan deployed geoeconomic discourse strategically to create negotiating space and project agency within persistent structural constraints. The discourse served multiple simultaneous purposes, such as domestic legitimacy, preference signalling to great powers, and leverage cultivation through ambiguity about alignment. At the same time, it diverged from material behaviour shaped by dual dependencies on American-backed IMF programmes and Chinese-led infrastructure obligations. The May 2025 FARA filing crystallises this pattern by revealing Pakistan's private diplomatic positioning, contradicting four years of public non-alignment rhetoric, demonstrating that geoeconomic discourse functioned to project autonomy that material circumstances did not support.

Conclusion

Pakistan's geoeconomic discourse from 2021 to 2025 represents rhetorical positioning within persistent structural constraints rather than genuine strategic transformation. This conclusion emerges from systematic analysis across three interconnected timelines – US-Pakistan relations (2010-2025), China-Pakistan economic integration (2013-2025), and the articulation of geoeconomic rhetoric (2021-2025) – culminating in examination of the May 2025 FARA registration document that exposed gaps between Pakistan's public claims and private diplomatic behaviour.

The evidence reveals an inverse relationship between constraint accumulation and discourse intensification: as Pakistan's dependencies on both Washington and Beijing deepened through security assistance conditionality, IMF programme requirements, FATF regulatory pressure, CPEC debt obligations, capacity payment commitments, and recurring rollover dependencies, official rhetoric emphasising autonomy, non-alignment, and economic prioritisation grew proportionally stronger.

The May 2025 FARA document serves as the critical test case that exposes the rhetoric-reality gap. Four years after the geoeconomic pivot was announced, Pakistan's registered agent submitted proposals to the State Department that contradicted core claims of non-alignment and autonomy. The document's transactional framing, offering concrete deliverables across trade, security, and geopolitical domains to improve bilateral relations, revealed Pakistan operating from constraint rather than confidence.

This paper makes three theoretical contributions to understanding Global South agency amid great power competition. First, it demonstrates that rhetorical positioning itself constitutes limited agency rather than evidence of impotence or deception. Pakistan's geoeconomic discourse served strategic purposes of creating domestic legitimacy, signalling preferences to Washington and Beijing, and

attempting to leverage great power competition. The discourse was neither purely fictive (it produced some tangible outcomes, including FATF delisting, favourable trade terms, and debt renegotiation accommodations) nor genuinely transformational (material dependencies persisted unchanged). Middle powers like Pakistan navigate asymmetric relationships not through genuine autonomy but by exploiting small spaces for negotiation and rhetorical manoeuvring within constraints.

Second, the analysis reveals how dual dependencies compound to constrain policy autonomy more severely than single-power dependence. Pakistan could not escape IMF conditionalities by relying on Chinese financing because Chinese loans increasingly came on commercial rather than concessional terms, and because IMF programmes explicitly required CPEC transparency and debt sustainability assessments. Pakistan could not reduce Chinese economic exposure by diversifying toward American partnerships because it lacked the foreign exchange reserves to service existing Chinese obligations without Beijing's cooperation on rollovers. The compounding effect meant Pakistan faced constraints from both powers simultaneously, with each dependency reinforcing rather than offsetting the other, a pattern likely applicable to other middle powers attempting to balance between Washington and Beijing.

Third, the research operationalises frameworks for distinguishing genuine agency from rhetorical positioning through empirical indicators: diversification of economic partnerships, successful debt term renegotiations, policy deviations from conditionality requirements without programme suspension, and infrastructure projects generating sustainable growth that reduces dependency. Pakistan failed these tests across the fifteen years examined, suggesting that geoeconomic discourse in the absence of material policy transformation should be interpreted as rhetorical positioning rather than evidence of strategic autonomy.

Limitations and Future Research

The analysis relies on publicly available documents and the single FARA filing, lacking access to internal Pakistani deliberations or classified diplomatic communications. Future research with access to broader diplomatic correspondence and elite interviews with decision-makers could test whether private deliberations aligned with public rhetoric or with the constrained behaviour documented here. The temporal scope ending in 2025 cannot assess whether Pakistan's strategic positioning ultimately produces greater autonomy over longer time horizons. Comparative research examining other middle powers' geoeconomic discourse – Indonesia, Vietnam, Malaysia – could test whether the rhetorical positioning pattern identified here reflects Pakistan-specific circumstances or a broader phenomenon facing Global South states navigating US-China competition.

Pakistan's geoeconomic discourse illuminates a fundamental dynamic in contemporary international relations: middle powers facing intensifying great power competition may project agency and autonomy through strategic narratives whilst operating within persistent structural constraints. Understanding how states deploy geoeconomic discourse strategically, even when material dependencies persist, reveals the complex ways Global South actors assert agency within rather than beyond great power competition. The gap between Pakistan's confident rhetoric of non-alignment and its documented behaviour of dual dependence does not reflect Pakistani deception or impotence, but

rather the limited tools available to constrained actors seeking to navigate an increasingly bipolar international system.

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