

Pakistan-United States Relations under Trump's Administration

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Abstract

The paper places the examination inside the context of dependency theory and critically evaluates the development of Pakistan-United States relations under Trump's administration. It explores the intricate interactions between political, military, and economic factors that influenced the two countries' bilateral relations, paying special attention to the limitations of assistance and the transactional character of diplomacy. The paper illustrates how coercive tactics, the suspension of security aid, and reliance on Pakistan's engagement in the Afghan peace process altered the relationship by placing the change from the previous Obama era in context and following Trump's "America First" doctrine. Additionally, the paper examines how Trump's policies have affected Pakistan's regional strategy, nuclear discourse, civil-military dynamics, and domestic political climate, especially with regard to India. A more detailed understanding of the dependency model in practice is made possible by the empirical insights derived from secondary sources, policy statements, and historical records. The results show that although the United States was able to gain tactical cooperation by taking advantage of Pakistan's reliance on military and economic assistance, the lack of sustained confidence undermined strategic alignment and drove Islamabad towards other allies like China. The analysis comes to the conclusion that under Trump, U.S.-Pakistan ties were mostly transactional, influenced more by immediate security concerns than by shared principles. With significant ramifications for upcoming U.S. administrations and Pakistan's changing diplomatic posture, this dynamic highlights the limitations of coercive reliance as a viable foreign policy strategy.

**Keywords:** Pak-US Relations, Trump Administration, America First, Dependency Theory, Aid.

Article Details:

Received on 15 Nov, 2025

Accepted on 07 Dec, 2025

Published on 09 Dec 2025

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## Introduction

It is crucial to explore the complex political landscapes in both countries while analyzing the political connections involving the US and Islamabad throughout government of Donald Trump. The goal of the following section is to provide readers a thorough grasp of the factors that influenced how Pakistani-American political ties developed during this pivotal time. Due to the USA's necessity of the assistance of Pakistan in the Afghan peace process, the two countries' political relationships during the presidency of Donald Trump changed from being tense to being more transactional (Afzal, 2020). In 2018, the government of Donald Trump withheld \$1.3 billion in security aid, accusing Pakistanis of lies and deception due to its suspected encouragement of Talibaan and other extremist organizations (Cheema, 2021).

Islamabad refuted accusations and voiced its annoyance at America's indifference to its regional objectives and contributions. But in 2019, the United States lauded the contribution of Pakistan to the peace talks and asked for its assistance in arranging discussions with the Taliban (Yousaf, 2021). With little success, the USA also made an effort to strengthen its relations with Islamabad in other areas, including investments, trade, and resources. Pakistan continued to be concerned about the India-USA interaction, particularly after the United States and India inked a strategic cooperation agreement in 2020. Pakistan believed that the USA leaned further towards Delhi on important issues like Kashmir and nuclear proliferation, but anticipated that the administration of Donald Trump will take a more balanced stance toward the region.

## Contextualization and Backdrop

Political interaction involving the USA and Pakistan was marked by a complicated patchwork of deteriorated connections and different objectives in the complex geopolitical scene of 2016, especially in respect to peace process of Afghanistan. The Obama administration began to scrutinize Pakistan, a longstanding significant non-NATO ally of the United States since 2002. The mood for a difficult precursor to the upcoming Trump administration was established when Islamabad was criticized for allegedly supporting the Talibaan and other extremist organizations active in Afghanistan (Afzal, 2020).

Issues involving two countries were highlighted by decision made by the government of Obama to halt certain military and economic assistance to Pakistan (Hussain & Gerberg, 2019). The subjects brought up included delicate topics including Pakistan's nuclear program and human rights record in addition to its regional geopolitical moves. This time frame became representative of a diplomatic downturn that was partly caused by the country's alleged support for terrorist organizations that were at odds with American objectives (Armitage & Berger, 2010).

At same time, the USA's growing strategic alliance with New Delhi, its neighboring adversary, made Islamabad feel betrayed. This convergence caused Pakistan to reevaluate its diplomatic goals as it increased its concerns about the changing balance of power in South Asia. The bilateral relationship was further strained by the aftermath of the 2011 unilateral the United States raid that killed Osama bin Ladin in Abbottabad and the frequent drone strikes against suspected terrorists in the nation's tribal regions, which created an environment with past disputes (Pande, 2011). However, despite these conflicts, both countries were able to maintain some degree of collaboration, especially in vital areas like security in the region and the fight against terrorism following the formation of the Quadrilateral Cooperation Group (QCG) in 2016, this subtle cooperation acquired impetus (Khan, 2016). In order to demonstrate a common interest in stabilizing the unstable Afghan area, the QCG sought to serve as a mediator for communication between the Talibaan and government of Afghanistan.

Richard Olson special representative for Pakistan and Afghanistan and John Kerry State Secretary were among the prominent Americans that visited Pakistan during this turbulent time (Agencies, 2012). Notwithstanding the underlying difficulties, these interactions demonstrated a practical recognition of the necessity for dialogue by providing platforms for in-depth conversations on bilateral and regional issues. The complex character of these exchanges brought to light the fine balance between cooperation and alienation that characterized Pakistani and American politics in the crucial year of 2016, laying the groundwork for the unknowns and reassessments that would follow Trump's swearing in.

## **Theoretical Framework**

### **Dependence Theory**

The dependence theory of economic growth and its relevance for comprehending problems in the domain of IR are still the subject of several disputes. For instance, as academics note, a large portion of the discussion does not focus on the veracity of the claim that the economic policies of the Global North have an impact on the nations of the Global South. However, several of debates appear to have been much focused with the way and extent that a study of colonialism may be responsible for the most important aspects of such basic elements of economic growth as the nature of wealth creation and sector-specific type industrial development requires in the developing countries, the structure of distribution of income therein, and the emergence of authoritarian governments in a number of Latin America, Asia, and African regions (Smith, 1981).

The theory of dependency detractors contend that economic imperialism is overemphasized as a means of explaining local as well as global relations in the modern world. In a comparable manner, they contend that dependency theory scholars are neglecting to provide greater understanding, analysis, and weight to the notion of local (and international) governance as an explanation over circumstances inside a nation (or nations) nowadays at the cost of these worldwide financial powers. Critics of the theory of systems frequently contend that the world is extremely complicated and that it is incorrect to only imply that the global economic linkages between the Global North and Global South can explain the global problems.

The role of domestic nepotism and corruption, local economic and political rivalries and disagreements for power, along with other elements (and decisions) that might have contributed to the failure to grow in economic terms at the anticipated rates (or rates that leaders or other members of the community may have hoped for) are therefore additional factors that might be worthy to discuss. It might also be omitting a significant portion of the clarification of contemporary domestic and international affairs to suggest that international states are only economic in nature, even though they have interests and are involved in the politics of the nations of the Global South. Instead, one should consider how international power matters and how the nations of the Global North (and other states) interact with these ideas of politics and power (since they are an extremely significant guiding power), rather than just economic objectives (Smith, 1981).

### **Era of Trump: conditional Aid and Coercive Dependence**

In order to obtain cooperation on counterterrorism while lowering long-term commitments, the administration of Donald Trump's "America First" (Ali, 2025) strategy reframed relations between Pakistan and the USA as purely transactional, using assistance reductions and pressure from the public.

## *Assistance Subject to Security*

Pak-US ties were heavily influenced by a security-centric strategy during Donald Trump first term as president, with the United States support and assistance being rigorously contingent on the country's participation in the fight against terrorism. This situation amply demonstrated dependency theory, since Pakistan, a weaker nation, was forced to abide by demands of the USA in order to continue receiving vital security aid. As the administration of Donald Trump unexpectedly stopped providing nearly two billion dollars in military support, particularly crucial Coalition Support Funding that paid Pakistan back for security operations against terrorism, in January 2018, relations struck a breaking point (Sen, 2018). the president's indignant tweet that Islamabad had repaid the United States help with "nothing but lies & deceit" (Gul, 2018) a reference to purported safe havens for organizations like the Haqqani Network was the catalyst for this abrupt action. Pakistan's armed forces apparatus, that had become organizationally reliant on such American grants over the course of the nearly twenty years of the War on Terror, was immediately under financial strain as a result of the assistance stoppage.

Nonetheless, Washington achieved some tactical victories as a result of this forceful strategy. Islamabad helped negotiate the 2020 Doha Accord between the USA and Talibaan after losing vital military financing. As part of its collaboration, Pakistan allegedly used its influence to bring Talbaan to the negotiating table and freed prominent Taliban commander Mullah Baradar from detention in 2018 so he could take part in peace negotiations (Iqbal, 2018). In addition to exposing the transactional basis of the relationship Pakistan's cooperation was directly linked to the prospect of assistance interruption instead of common regional interests these steps showed how pressure from the United States might compel compromises (Gul et al., 2025).

For Islamabad, the conditional character of security aid posed a conundrum. In order to reestablish assistance moves, Islamabad was forced to collaborate with the United States counterterrorism initiatives; yet, this frequently went against Islamabad's internal security calculations about Afghanistan and its past connections with particular militant organizations (Ali, 2025). The Haqqani Network, whom America saw as a direct threat but Pakistan saw as strategic leverage regarding Kabul ties, was the source of this friction. Pakistan was unable to fully fulfill both its regional interests and the United States demands, leading to an unstable equilibrium. An increasingly extensive safety alliance was also gradually eroding during this time. Strategy of Trump confined the connection to a limited counterterrorism transaction, in contrast to previous administrations that coupled security assistance with wider cooperation in the military. The longer-term consequences of the suspension of security assistance programs like International Military Education and Training (IMET) and Foreign Military Financing (FMF) included a reduction in the institutional ties that had been developed throughout the years between the two forces (Mazarr et al., 2022).

Eventually, Trump's security-focused conditional financial assistance strategy illustrated the potential and constraints of dependency theory in real-world scenarios. Although the United States might use reliance of Pakistan on aid to further some strategic goals, this strategy did not produce a lasting partnership and rather hastened shift of Pakistan towards other allies like Chinese. Under Trump, the relationship was transactional, which prepared the way for the deeper distancing that was to occur during the Biden presidency.



## Initial Diplomatic Statements and Engagements

American and Pakistani officials engaged in a flurry of diplomatic interactions in the first few months of the Trump presidency. Setting the tone for the developing partnership was mostly accomplished through high-level meetings and diplomatic declarations. Both countries were able to express their goals and aspirations through these exchanges. It is possible to gain significant knowledge regarding the initial attitudes and tactical views of the decision-makers in Washington and Islamabad by analyzing the substance and tone of those initial interactions.

## Policies of Trump and Impact on Political Landscape of Pakistan

The political climate of Pakistan, a crucial South Asian partner of the USA, was significantly impacted by the actions of Donald Trump's administration. Trump's commerce, human rights, security and overall stability initiatives have a variety of effects on Pakistan's internal and international matters. A few of most significant effects of initiatives of Trump on political environment of Pakistan will be examined in this section. The choice made by President Trump to halt military and security aid to Pakistan in 2018 on the grounds that it was sheltering terrorists and wasn't doing sufficient to combat extremism represented one of more contentious parts of his approach to the nation (Sulaiman, 2024). Given that Pakistan had lost billions of dollars and thousands of lives as a result of its participation in the US-backed assault on terrorists, many in Pakistan viewed this action as an act of treachery and a show of contempt. Since the military's establishment in Pakistan had greater control over the country's safety and security policy, the funding embargo increased tensions between them.

In addition to pursuing deeper connections with other regional powers like Russia, China, and Iran, the civilian administration, headed by Prime Minister Imran Khan, attempted to retain a reasonable and sensible stance regarding the United States of America. Participation of Trump in mediating the peace negotiations between government of Afghanistan and Taliban, which sought to put a stop to the protracted war in Afghanistan, constituted an additional outcome of his policies regarding Pakistan (Dawn, 2019). Although Trump was keen to get US forces out of Afghanistan and make a settlement with the Taliban before his presidency was out, his impatience and erratic behavior also caused problems and uncertainty for Pakistan. On the one hand, Pakistan backed the intra-Afghan discussion and welcomed the peace process because it hoped for a friendly and stable neighbor who wouldn't be a security problem or cause a refugee catastrophe. However, the United States and other nations also put pressure on Pakistan to utilize its influence to convince the Taliban to accept a truce and an agreement to share power with government of Afghanistan. Furthermore, Islamabad had to contend with the potential rise of radicalism and conflict in Afghanistan, which may affect its own borders and jeopardize its counterterrorism operations.

Additionally, Pakistan was indirectly impacted by Trump's immigration policy. Diaspora of Pakistan across the US was influenced by the administration's stringent immigration policies. The societal and academic relationships that served as a pillar of interpersonal diplomacy were also impacted by modifications to visa laws and limitations, in addition to community of Pakistan. Government of Trump slant towards India within the framework of the strategic alliance between the United States and India had consequences for the fragile equilibrium in South Asian region in terms of stability across region. In Pakistan, people were paying careful attention to the growing military and economic relations between the United States and Indian. The occurrence sparked worries that it would upset the balance of power in the area and make long-standing problems like the conflict over Kashmir worse.

For Pakistan's strategists, the unpredictability of Trump's foreign policy choices created an additional degree of anxiety. Pakistan has to constantly reevaluate its diplomatic tactics due to the sudden changes in the United States stances on a number of global problems and the America First policy. Islamabad has to have a flexible and quick-thinking foreign policy strategy in order to navigate the intricate web of world affairs. Additionally, Pakistan saw indirect effects from Trump's departure from international institutions and accords, including the World Health Organization and the Paris Climate Agreement. Pakistan, a nation dealing with health and environmental concerns, discovered itself in a world where cooperation on these facades was not given as much priority.

### **Peace Talks and Pakistan's Role**

The goal of the peace negotiations between the Taliban and the United States to end war of last two decades in Afghanistan had been facilitated in large part by Pakistan. Concern for the stability and security of the region, geopolitical interests, and a want to strengthen ties with the US had all served as driving forces for Pakistan's participation in the negotiations. Pakistan had hosted many rounds of talks, offered logistical and intelligence assistance, and coordinated with other regional and international parties in an attempt to encourage the Taliban to participate in dialogue. In its capacity as a facilitator, Pakistan has also had to manage its animosity with India, strike a balance between its relationships with various Afghan forces, and deal with internal reaction from some political and religious organizations (Cheema, 2021).

Pakistan continues to be dedicated to assisting the negotiation initiative and reaching a peaceful and welcoming political solution in Afghanistan, regardless of the current state of uncertainty and complexity. The Talibaan-US deal was signed in February 2020, the intra-Afghan discussion began in the month of September 2020, and the amount of humanitarian aid and violence in Afghanistan decreased as a result of Pakistan's involvement (Semple, 2022).

### **Trump Administration and Military Ties**

The U.S. and Pakistani troops have upheld close military ties since the establishment of bilateral diplomatic ties in 1947. This partnership was originally described as "America's most allied ally in Asia" by President Nixon (Semple, 2022). The peace and safety of the countries of South Asia, the Central Asian region, and Eastern Europe are of concern to both nations, as this explanation made clear. As a consequence of negotiating various geopolitical situations and adapting to the changing needs and challenges in these sectors, this partnership has evolved throughout time. Cadets from Pakistan have been visiting esteemed military schools of the and war academies on a regular basis, when the United States first sent military advisors to Pakistan (US Mission Pakistan, 2022). The Pakistani Army and Air Force often participate in joint military exercises with their American equivalents. In a similar vein, the US Navy has joined the Pakistan Navy and Marines on a number of patrol operations (US Mission Pakistan, 2022). The cooperation's vital role in addressing a range of problems, from conflicts in the region to global war on terrorism, demonstrates the strategic importance of the relationship in maintaining regional stability and promoting mutual security goals.

### **Trump Administration and Military Policy Shift**

Tactical changes and changing political circumstances influenced significant changes in U.S. military strategy toward Pakistan under the Trump presidency. This time period may be split into two separate stages: an amount of enhanced collaboration, especially in respect to the Afghan peace process, after an initial phase of strained bilateral ties. Increased tensions and an emphasis on American worries over safe heavens in Pakistan for organizations such as the Haqqani Network characterized the relationship in the early years of the administration of

Donald Trump (Weinbaum & Babbar, 2022). During this period, President Donald Trump's January 2018 tweet blaming Pakistan of "lies and deceit" in its dealings with the USA and subsequent decision to stop providing the sum of \$1.3 billion in American security aid to Pakistan were noteworthy events (Janjua, 2018).

By the autumn of 2018, nevertheless, there had been a significant change as the administration of Donald Trump reevaluated its strategy and acknowledged the importance of the country's involvement in enabling an evacuation from Afghanistan (Kaura, 2022). As a result, Zalmay Khalilzad was appointed as the United States' special envoy to Afghanistan, starting a gradual but effective process to bring about peace in Afghanistan. It was recognized that strategic location of Pakistan and its influence with the Taliban were important in this regard. Prime Minister Imran Khan's July 2019 visit to Washington marked a formal reset for the bilateral connection and a dramatic shift from the previous adversarial approach (MOFA, 2019).

Strategy of government of Trump for impacting Islamabad also deviated from earlier the US initiatives. The government used international organizations like as the Financial Action Task Force (FATF) to influence Pakistan's actions, especially with regard to militancy and terrorist funding, rather than relying solely on direct support. In general, the Trump administration's military strategy with Pakistan was marked by a change from direct conflict to strategic collaboration, especially with regard to process of peace in Afghanistan (Younus, 2018). This change was supported by a more pragmatic approach to bilateral ties and an understanding of Pakistan's strategic significance in the region, especially with regard to Afghanistan.

### ***Dynamics of Military Assistance and Aid***

Several sources claim that under the Trump administration (2017–2021), Pakistan got or was promised far less military assistance overall than in prior years. In fiscal year 2017, the US Department of State stated that \$265 million was spent on security-related assistance to Pakistan, including \$165 million in coalition support funds and \$100 million in foreign military financing. Approximately \$2 billion in security aid to Pakistan was suspended by the Trump administration in 2018 unless Pakistan took strong action regarding terrorist organizations operating on its territory (Mohammed & Landay, 2018). According to Aizaz Chaudhry, ambassador of Pakistan to the USA, the fight against terrorism has cost \$120 billion over the course of 15 years (Gul, 2018). He underlined that Pakistan used its own resources to pay for the majority of this expense. Chaudhry went on to say that methods that involve strict time limits and deadlines are ineffective for dealing with the common problems that terrorism presents.

The army spokesperson, Major-General Asif Ghafoor, responded to worries about possible the United States unilateral military measures against alleged terrorist havens connected to the Haqqani Network (HQN) in Pakistan in the same period. "If there is ever any the US hostility against Pakistan, the reaction will be in line with what the Pakistani people expect" (Tribune, 2018). This comment was made in relation to conversations that surfaced regarding attacks on the HQN in Pakistan when President Trump first took office. Pakistan has already taken action against the HQN, according to Major-General Ghafoor, who also stressed that the results of these steps will become clear in due time. Although no timeframe or precise amount was specified, President Donald Trump met with Imran Khan, the Pakistani prime minister, in 2019 and stated his willingness to return part of the funding (MOFA, 2019).

## ***Military Relations: Impact of Afghan Policy***

Military relations between Pakistan and the USA were profoundly affected by the administration of Donald Trump's approach to Afghanistan, which reflected a complex web of historical legacies, geopolitical imperatives, and strategic recalibrations. Reaching a peace agreement with the Taliban became the main goal of strategy of the USA in Afghanistan during the Trump administration (CFR, 2017). Pakistan's historical links to the Taliban and its strategic importance in the area made its participation in this effort to terminate the protracted military commitment in Afghanistan necessary. In contrast to other American governments, the administration of President Trump's attempts to engage in negotiations with the Taliban demonstrated a sophisticated strategy. As Pakistan's involvement in promoting communication with the Taliban became in importance, this change in approach directly affected military ties between Pakistan and the USA (US Government, 2020).

The dynamics of the Trump administration were also significantly determined by the historical background of U.S.-Pakistan ties, which was influenced by the Cold War and the Global War on Terror (GWOT). The complicated background against that the administration of Donald Trump's Afghanistan policy developed was established by the consequences of Pak-US collaboration throughout the Soviet-Afghan conflict and the two countries' subsequent participation in the GWOT. The scope and nature of the two nations' military cooperation were impacted by this historical interaction, especially when it came to combating terrorism and stability in the region (Wadhen, Hali & Jamil, 2019).

Reservations regarding purported assistance of Pakistan for extremist organizations like Haqani group and the Taliban led to government of Trump's early strong attitude to the country. As a result of this position, Pakistan received less military and security assistance, which was intended to pressure Pakistan into changing its policies to better suit American interests in the area. But when the emphasis switched to forging an accord on peace in Afghanistan, the United States realized that, given its power over the Taliban, it was imperative to engage with Pakistan (Shaikh, 2010). An increasingly pragmatic and collaborative stage of military ties resulted from this acknowledgment, especially when the United States asked Pakistan for help in arranging negotiations with Taliban.

## **Pakistan's Nuclear Weapons and View of Trump**

A complex viewpoint is presented in the debate of former President Donald Trump's stance on Pakistan and its nuclear capability, influenced by both his remarks and the viewpoints of his government's officials. Position of Trump demonstrates a sophisticated grasp of strategic consequences of nuclear weapons in the area, especially when considering the geopolitical dynamics involving Pakistan, Afghanistan, and the larger Middle East. Donald failed to express a comprehensive stance on Pakistan during the election talks. Nonetheless, the government's strategy was shaped in part by the knowledge and expertise of important individuals in his administration, including Michael Flynn, the National Security Advisor, and James Mattis, the Secretary of Defense (Abbas, Hussain & Bogheiry, 2024).

These people contributed a profound comprehension of the intricate relationships that exist in the Middle East and South Asia. Trump, who was then running for president, responded to a question on his position on Afghanistan on April 28, 2016, in an interview with Fox News. He underlined strategic significance of Afghanistan, especially in light of its closeness to Pakistan, a country with nuclear weapons. "I would remain in Afghanistan," (Rabbi, Munawar & Bukhari, 2022) he said. Given that it is close to Pakistan, which possesses nuclear weapons, it is most likely the one location in the Middle East that we need to have



visited. This remark demonstrates Trump's understanding of Afghanistan's importance for both nuclear security and regional stability.

All things considered, perceptions of Trump regarding Islamabad regarding the atomic potential are distinguished by an understanding of the complex geopolitical issues facing the area. Approach of his government seemed to be influenced by a mix of strategic factors, the advice of seasoned experts, and an emphasis on how weapons of mass destruction would affect regional stability and security.

## **Historical context of Pak-US Economic Ties**

The historical context of Pakistan-US economic ties is extensive, characterized by a number of agreements, landmarks, and noteworthy occasions that have shaped their collaboration for a long time. From commerce and development to security and geopolitics, the two nations have collaborated and disagreed on a number of topics. The purpose of the paragraphs that follow is to give a historical summary of Pakistan-US economic relations and to highlight the significant occasions and events that have shaped them. Numerous circumstances, including the Cold War, the Soviet Union's intervention of Afghanistan, the development of nuclear weapons, the war on terror, and the growth of China, have impacted economic connections. Despite being one of the biggest providers of military and economic support to Pakistan, the US has occasionally placed limitations and sanctions on the country because of worries about the rule of law, human rights, and safety (Chandio, 2018). Although Pakistan has benefited greatly from the US assistance, it has struggled to maintain a balance in its ties with nations in region including Iran, India and China (Kaura, 2022).

As both nations confront new possibilities and difficulties in the twenty-first century, the economic connections have also changed recently. Pakistan has adopted a more varied and autonomous foreign policy, while the United States has refocused its efforts from counterterrorism to strategic confrontation with China (Shamil & Mirza, 2020). New areas of collaboration between the two nations have also been investigated, including education, energy, climate change and health. Although Pakistan and the United States' economic ties are still significant and vibrant, they also need ongoing interactions and comprehension in order to resolve disagreements and advance shared objectives.

## **Investments and Trade During 2010s**

Economic ties were significantly shaped by trade and investment under the Trump presidency in the 2010s. The focus of the economic relationship shifted to bilateral trade agreements and economic policy. The two countries collaborated on matters pertaining to investment incentives, intellectual property rights, and market access.

## **Geopolitical Influence and Regional Dynamics**

Economic connections' historical background is inextricably related to regional trends and larger geopolitical environment. Economic relations have frequently been impacted by Pakistan's closeness to nations like Afghanistan and India. Economic connections have been affected by geopolitical factors, such as the United States' disengagement from international accords (Sultana, 2015). Given the recent events in Afghanistan and the surrounding area, it is unclear how the United States will continue to provide economic aid to Pakistan. In addition to indicating that it will continue to support Pakistan's development and humanitarian efforts, government of President Joe Biden has hinted that it will reevaluate and rebalance its ties with nation in light of its cooperation and actions on matters like democracy, human rights, regional stability, and counterterrorism (Akbar, 2015).

Depending on how well Pakistan performs and how well it aligns with American interests and values, the United States Congress may also use its oversight authority to place limitations or

conditions on aid to Pakistan. Other contributors, like China, who has made significant investments in the nation's energy and infrastructure projects via the Belt and Road Initiative, might potentially compete with the United States for Pakistan's economic aid (Munshi, 2022). It is crucial to comprehend the historical development of economic connections in order to analyze the current economic collaboration between the United States and Pakistan under government of Donald Trump. It emphasizes the significance of analyzing the economic complexities that have influenced their diplomatic relationship and demonstrates the long-lasting character of their economic ties.

### ***Economic Aid from the US to Pakistan and Key Historical Points***

As explained below, the history of US financial assistance to Pakistan has shown significant ups and downs during the previous 60 years:

1. In 1962, the United States provided Pakistan with a record-breaking total of more than \$2.3 billion to support the country's socioeconomic growth, marking the pinnacle of its economic aid (Sultana, 2015).
2. The focus of US aid shifted to military assistance in 2010, with a total payout of \$2.5 billion, including a significant \$1.2 billion in alliance assistance funding (The Guardian, 2025). This reallocation of resource reflected changing strategic goals.
3. On the other hand, U.S. aid to Pakistan reached a low point in the 1990s. This decline followed decision of President George Bush to halt funding due to developing nuclear program by Pakistan, which was a major turning point in the two countries' relationship (Kazimi & Awan, 2019).
4. Military support from the United States to Pakistan was significantly reduced as a result of the Indo-Pakistani hostilities of 1965 and 1971, reflecting the immediate security concerns brought on by these conflicts in the region (Lynch, 2022).
5. Another significant moment occurred in the 1970s when President Carter suspended all aid except food assistance in response to Pakistan's efforts to build a uranium enrichment facility (Ahmed, 2022). This demonstrated the impact of nuclear proliferation worries on foreign policy of the USA.
6. In spite of fluctuations in U.S. aid to Pakistan, both military and economic, it is necessary to highlight a steady growing trend since the turn of the twenty-first century. The USA's funding has steadily increased since 2001, indicating changing strategic priorities and long-term bilateral collaboration.

### ***Investment and Trade During Trump Era***

The constantly evolving interaction of investments and trade between Pakistan and the USA throughout the Trump administration reflected changing regional and global economic interests. In addition to analyzing economic cooperation and foreign direct investment (FDI), this part explores trade factors, the balance of trade, and important export-import industries and developments (Keeryo, Mumtaz & Lakhan, 2020).

### ***Trump Era and Dynamics of Trade***

The framework for trade relations was established by the administration of Donald Trump's "America First" agenda (CFR, 2025). In this regard, friction and tariff disputes characterized the global trade environment against which the dynamics of commerce between the USA and Pakistan developed.

Throughout this time, the two countries' trade volume varied. Numerous variables, including as tariffs, shifting consumer tastes, and worldwide economic conditions, affected both U.S. imports into Pakistan and exports from Pakistan to the United States. One important aspect of economic ties was the Generalized System of Preferences (GSP) program,

which gave the United States preferential market access for specific Pakistani goods. Pakistani exports were significantly impacted by the Trump administration's assessment of GSP benefits, which was extended in 2017 (Monitoring Desk, 2018).

## **Major Export-Import Sectors and Balance of Trade**

Throughout the Trump administration, there were swings in the trade balance between Pakistan and the US. An understanding of the value of imports and exports between the two nations may be gained by looking at the balance. Economic interactions are affected by this equilibrium, which is impacted by variables including shifts in trade regulations and consumer demand. The United States accounted for 16.4% of Pakistan's overall exports in 2019, making it the country's biggest export market, according to the US Trade Representative. With a 5.5% share, the USA was also Pakistan's third-largest import supplier, after China and the United Arab Emirates. As the nation's exports to the USA rose 6.3% and its purchase of goods from the US fell 2.7%, the bilateral trade imbalance shrank from \$6.1 billion in 2018 to \$5.6 billion in 2019. Textiles and Clothing, equipment, chemical substances, and agricultural items are the primary goods exported between the two nations (Dilawar, 2025).

A few industries were crucial to Pakistan's exports to the US. In commercial connections, items such as clothing, textiles, medical tools, and agricultural products were important. Gaining insight into the leading export industries helps identify sectors of economic stability and room for expansion. It is equally crucial to examine the sectors from which Pakistan imported items from the United States. Important imports have included goods like machinery, airplanes, and medical equipment. An understanding of Pakistan's industrial and economic requirements may be gained by looking at these areas.

## **Conclusion**

Transactionalism, coercive reliance, and strategic ambiguity were characteristics of the bilateral relationship between the United States and Pakistan under the Trump administration, according to an analysis of such relations. Islamabad's view of American dependability as a partner was altered by Trump's actions, which were marked by conditional funding, open criticism of Pakistan's counterterrorism performance, and an overt preference for India. Dependency theory offers a useful framework for describing how Washington tried to take advantage of Pakistan's weaknesses brought about by its reliance on American financial and security support. However, there were two sides to this strategy. Although the United States was able to accomplish short-term goals, like helping Pakistan facilitate peace negotiations with the Taliban, it was unable to establish a long-term strategic alliance. In order to lessen its need on Washington, Islamabad instead broadened its options for foreign policy, enhancing its relations with China and interacting with other regional players.

Furthermore, Pakistan's scepticism about U.S. objectives was strengthened by Trump's transactional practices, which increased suspicion among the military and civilian population. Despite Pakistan's contribution to the peace process in Afghanistan, it brought to light the limitations of coercive diplomacy in situations where shared interests are not well-established. In the end, conditionality and imbalance during the Trump administration exposed the vulnerability of Pakistan-US relations. The time period highlighted the necessity for Pakistan to reevaluate its policies in order to achieve more autonomy and a wider range of relationships. It demonstrated to the USA that sustained influence in South Asia necessitates involvement that goes beyond assistance politics. Therefore, the structural dependencies and strains that still characterise Pak-US ties in the modern age were not only revealed but significantly exacerbated during the Trump administration.

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