



THE INFLUENCE OF FOREIGN POLICY ON TRADE AND ECONOMICS OF PAKISTAN: REVISITING ITS GEOPOLITICAL RELATIONS THROUGH DIPLOMATIC TIES WITH SUPERPOWERS

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Abstract

Pakistan, a South Asian country, is crucial to international trade networks. Yet it continues to be a defensive state, its danger perceptions always guiding the foreign policy. This security-driven trajectory for foreign policy may be attributed to a variety of factors, as it may result in multiple repercussions. The primary goal behind this descriptive study aims to rethink Pakistan's foreign policy with the intent to move its commercial and economic goals off of a secure community as well as towards a welfare society. The conditions underlying world relations have evolved towards security-based coalitions towards financial reliance. The CPEC, which stands for the China-Pakistan Economic offers Islamabad a tremendous chance to use their geo-economic as well as diplomatic influence along with income possibilities. Pakistan has transformed into a nation of welfare as well as a powerful nation as a result of a foreign strategy based upon financial as well as business relationships in neighbouring nations along with areas. In a nutshell, Pakistan may turn out to be similar Germany, who transitioned being a state of safety to an autonomous state of welfare.

Keywords: CPEC, Economy, Trade, Foreign Policy, Pakistan, Security State



INTRODUCTION

According to Ahmad (2001), given the numerous issues engaged in international legislation, Pakistan's foreign policy is continually moulded by its security goals. From its beginnings, the great statesman as well as leader for Pakistan, Quaid-i-Azam, additionally concentrated upon the financial security along with improvements for Pakistanis (as its welfare country) specifically along with the Muslim Ummah broadly through the implementation of a system of capitalism as well as equal treatment through the human race along with accountability grounded in Islamic ideas. Furthermore, Muhammad Ali Jinnah stressed on the country's foreign policy being founded on moderation (Khan et al., 2022). As a result, Pakistan established a sovereign state, along with its foreign policy shifted towards commercial and financial concerns. Security being without any doubt a key national interest, particularly given the threat for unfriendly neighbourhoods as well as a ranking for objectives with worries based on need to be a result for powerful relations. The country has tried to develop stronger and more mutually beneficial relations alongside both of its nearest neighbours, Afghanistan and India, for both its economic and social prosperity, but possesses resentful along with falling interactions alongside therefore instantaneous neighbours, Afghanistan and India, because both countries share an important role within favouring for years India's financial along with security goals at the entire area immediately following its victory contrary to terrorist attacks (Hanauer & Chalk, 2012). For example, following 9/11, Pakistan's role to be an important partner throughout the designated "Wars for Terror," towards terrorist activity within Afghanistan brought about the demise in excess of seventy thousand exists along with nearly 150 billion dollars in expenses for its delicate economic benefits, providing it into a sudden as well as imbalanced nation.

A defense state prioritises its military might above every other non-militaristic policies, such as growing the economy, welfare services, and health care for everyone (Regilme, 2022). Pakistan provides the pinnacle of an armed government. In twenty-first century, it devoted 3.9% percent its overall economic output to defence spending, versus 2.6% for India as well as 1.3% for Germany. To back up Pakistan's security-focused vision, army costs amounted to 17.1% out of all spending by governments throughout 2021, compared to 7.4% across India along with 2.5% within Germany. According to The World Bank (2021), the Pakistani government revenues from exports made up 9% percent of its GDP, compared to India's 21% as well as German's 47%. Pakistan's large defence spending as well as small revenue from exports in GDP in compared to Germany and India demonstrates how security objectives, rather than economic as well as commercial goals, shaped its foreign policy. Pakistan's high army spending depletes a significant portion of the country's fiscal budget. This leakage of relatively few resources significantly impedes the development of domestic commercial and commerce infrastructure. As a result, Pakistan's trade as well as economic objectives within international and regional markets faces an edge in competition. Notwithstanding this, developing strategic situations support a strong role for armed forces throughout the country's political landscape. Given an



area dominated by ongoing conflicts including persistent security problems, Pakistan faces a complex set of dangers as well as geopolitical duties. As a consequence, the army's evident function as guardian for country's safety is continually backed by geopolitical events, providing rationale behind its extensive engagement in defining choices for foreign policy as well as designing security initiatives (Muneer and Aryal, 2024). Some civil administrations along with army soldiers claim as Pakistan has been operating under an order emergencies before its foundation. They see Indian enmity towards the occupied Kashmir area as well as Afghan irrational as serious challenges towards the Pakistani sovereignty over its territory. However, the country's existing fiscal and trade woes call for an aggressive approach into commercial and business priorities so as to transform becoming a Welfare State rather than a defense State. For a result, the primary goal of this investigation is to help rethink Pakistan's foreign policy in order to move its financial along with commercial goals towards those with the greatest opportunity for income production throughout its unstable economy.

METHODOLOGY

This research study is a descriptive one utilising a combination of quantitative and qualitative approaches. In a similar vein everything that is relied upon includes a combination of both quantitative and qualitative data. A variety of texts, magazines, newspapers, inquiries, as well as official communications from the World Bank, World Trade Organisation, the Government of Pakistan, and the International Monetary Fund were used to gather material.

PAKISTAN'S SECURITY-FOCUSED FOREIGN POLICY: IMPLICATIONS AND REASONS

The existing international as well as local literature examines several facets like the country's foreign policy. The majority for the written work concentrates upon the security aspects of Pakistan's foreign policy. Amin(2021) attempts to chronologically analyse the local along with outside variables that led the country's foreign policy adopting its perspective. He outlines the basis behind foreign policy towards security-centric through an interaction between variables that are internal and external. The majority involving these variables are connected with Pakistan's long-term national safety and welfare within a context characterised by political unpredictability, financial turmoil, weak civilian administration, and heightened hazards both terrorists as well as neighbour meddling. Sas Pande (2011) examines in depth that Indian-centric sense of danger that drives the country's foreign policy.

Determinants Behind Security-Focused Foreign Policy

In general terms, the factors that drove foreign policy into following more security-centric trajectory may be separated among policy alternatives facing Pakistan depending on the local along with worldwide surroundings, as well as the internal context.

Policy Alternatives Regarding The Globally And Regionally Ecosystem

According to past events, Pakistan emerged amid a Cold War-era worldwide environment



primarily an outcome to colonialism. The battle involving the USSR-led communist axis as well as that US-led liberal democrat alliance, together the newly inheriting Kashmiri dispute towards its east as well as the Durand- Line problem to west, leaving Pakistan alongside few foreign policy alternatives. Early restricted policy alternatives prompted the foreign policy intelligentsia as one of the US-led European group, specifically SEATO as well as CENTO, during the course of the 1950s. The tests by India during 1974 raised Pakistan's defence fears, as the country began constructing their own atomic programme. The Russian takeover to Afghanistan during 1979, as well as US-Pakistan engagement in Afghan militant Islam, was motivated with Pakistan's security worries against India. The theory regarding strategic breadth suffered a defeat during the conclusion during the decade-long Cold War, when bipolarity became superseded by a single polar across the worldwide context. The terrorist attacks of September 11 altered the worldwide landscape during 2001, therefore the country's foreign policy became again presented with restricted strategic alternatives. Pakistanis gave succumbed under the Washington ' desire to become part of their "War upon Terror," that distracted away from working towards its financial and commercial ambitions as well as pushed it towards the brink for electoral, economic, along with social unrest (GOP, 2014).

Foreign Policy Under The Framework Of The Domestic Setting

Jinnah, who established the Islamic Republic of Pakistan was cited as saying the following: within 1948, "the result resides within front for ourselves one fresh chapter as well as it may be the privilege of endeavour regarding generate and keep kindness along with relationships alongside Britain or the privilege of neighbourly sovereignty, Hindustan, through using different siblings economies therefore which our team whatever in conjunction maybe rendering our biggest input for known as reconciliation along with good fortune of the globe"(Sattar, 2020).

An analysis for Pakistan's indicates that this move was influenced with a number of domestic drivers, including goals stemming from the fundamental goal-oriented: protecting its citizens. In terms of protection, Pakistan's armed forces apparatus played an important part in developing the country's foreign policy. According to Burke (1973), from its establishment, Pakistan's armed forces has assumed an essential part in shaping its foreign policy.

Effects For Security-Focused Foreign Policy

Pakistan made an important blunder by outsourcing its territorial defence with America (in juxtaposition with Afghanistan and India). Not embracing impartiality because an essential foundation for its foreign policy has put an extended shadow upon its planning ideology among this panel of states whose economies while stability are inextricably connected to America and its closest friends. According to GWB Library (2013), in 2001, the US announced "a conflict over everyone that want to spread fear, plus an invasion over the countries who promote as well as protect them" . America as well as Pakistan unified throughout the 'Conflict on Terrorism. 'Throughout 2022, the US having its coalition partners departed Afghanistan, leaving Pakistanis



on a path of standard, with Tehreek-e-Taliban Pakistanis having a persistent danger of terrorist strikes in the nation's territory. Furthermore, Ali et al. (2023) highlighted that the unresolved burning problem in Kashmir led to three wars involving India and Pakistan, thereby disrupting their diplomatic relations, as well as additional disputes along with the possible risk of terrorists throughout South Asia as well as across the globe.

Division For The East Pakistan Region With The Search For Osama Bin Laden: Safety Failures

When East Pakistan became Bangladesh, foreign policy goals had not been reassessed. The Hamood ur Rehman Panel Study remains a confidential paperwork, implying because the government's exploitative foreign policy clique has misled the general population. The bitterness for East Pakistanis prevented the West Pakistan-dominated extracting establishment from allowing another popularly chosen party for governing. The deed of capitulation destroyed Pakistan's standing for being a competent and effective combat military. One have to pray which the entire country has learned the required insights from those awful incidents, so meaningful timely response may be implemented based on the document's recommendations"(Dawn, 1972).

Likewise, in May 2011 the brutal murder for Usama bin Laden via the US army assault called into doubt national security along with the skilled competence of partner organisations. Subsequently, the Pakistani Government appointed an agency to investigate the root causes for this massive breakdown in safety. The released copy for the Abbottabad, Pakistan Committee Review identifies "systematic problems, capability deficiencies, as well as deliberate mistakes before it recommends an array for policy remedies that will fix such issues"(Tankel, 2013). An absence of liberal thought with manipulated opinion among the public is a socioeconomic catastrophe.

The Pakistani government foreign policy elites moulded the general population via a single narrow viewpoint that favoured a foreign policy centred around conventional defence that limited India inside the region's borders. Authorities manipulated the public's perception using regulated curriculum material. Zia-ul-Haq's Islamization programme, that positioned Pakistan within the Islamist vanguard, serves as an instructive instance. Zia's programme included several legislation that include reforms to the judiciary, the adoption for the Islamic Penal Coding, and commercial as well as educational activities. These acts exacerbated discontent and sparked sectarian confrontations among Sunni and Shia communities throughout this nation.

Trade, Instead Of Assistance: A Suffering Commerce And Economy Have An Impact

According to studies on Pakistan's financial and commercial profile, the country faces a difficult situation. The repeating problems was characterised by a trade imbalance, an account of payment issue, and dependency upon International Monetary Fund loans. It is now engaged in the IMF's the twenty-third programme. As a result, Pakistan is trapped in an endless circle of



aid along with loans rather than trade.

Pakistan's Declining Genuine GDP Expansion Rate

According to IsDB and ADB (2022), The GDP of Pakistan surged from 1980 till 2020. The period of time between 2010 till 2020 indicates a reduction towards 4% through approximately 6 percent during the ten years between 1980 till 1990.

Pakistan's Lower Value-Added Affiliation To The Global Value Chains (Gvcs)

GVCs objectively quantify a country's impact on worldwide chains of value using several metrics as well as units. It is based on an outline developed by as Koopman, Wang, & Wei during 2014 (Koopman et al., 2014) along with improved by Borin & Mancini during 2019. The methodology employs data taken from an inter-country table to divide exporter flows across value-added metrics areas.

Pakistani HDI Compared To SAARC Nations

A Human Development Index measure (HDI) represents an established compound measure that calculates averaged accomplishment across three key elements that constitute human progress: longevity and good health, expertise, along with an ideal standard of living (UNDP, 2022). Pakistan's index of human development (HDI) within 2021 has the second poorest among SAARC nations, via a position for 161 as well as an HDI score of 0.544, indicating a poor ranking. Pakistan likewise happens to be a relatively remote nation around the vicinity. The nations of Bhutan, Bangladesh India and Nepal among the four SAARC states are joining forces via a Transportation Contract that will enable goods and transportation to profit from a lengthy route that connects its four neighbours.

Rizvi (2013) views to suggest that as opposed to enabling safety concerns to dictate Pakistan's foreign policy, The result is critical that commercial and business goals be permitted for them to do so. Although the financial growth of Pakistan is based upon the fundamental premise of maximum support from the entrepreneurs through the provision regarding unique government support, it fails to take into account social key indicators such as distribution of wealth, fairness, and others as well.

The CPEC Initiative: A Bright Vision Towards A Healthy Society

During these turbulent times, the mega project Pakistan-China Economic Corridor (the Belt and Road Initiative) offers an excellent idea for investigating larger prospective fiscal benefits while also lowering regional challenges via reciprocal engagement with its commercial and alliance partner Beijing. It will accelerate Pakistan's economic growth through bringing multidimensional opportunities and earnings. The CPEC convey additionally strengthens the country's economic connections alongside China while increasing security in the region. The initiative constitutes a 'Game-Changer' along with groundbreaking since it would kickstart innovative energy initiatives as well as commerce prospects within Pakistan (Mohsin, 2020).



Yet, some obstacles need to be addressed immediately, including regional geography, security within the nation, especially financial stability issues (Rahim et al., 2018). It would connect China with their deep-sea port of Gawadar as well as offer a way out to central Asian a landlocked nation republics, as well as the Arab Gulf, that is related to the Persian Gulf across the Straits of Hormuz (Ejaz & Jamil, 2022). In the end, Fazal et al. (2023) stated that it will boost Pakistan's financial as well as geopolitical posture by improving its regional links, fiscal autonomy, including diplomatic connections. Fortunately, the current PDM as well as interim administrations chose 'geo-economics' being a key component of their foreign strategy.

CONCLUSION

Countries that want to flesh out and prosper are implementing measures of trade as well as interdependence in their economies. From its foundation around 1947, Pakistan endured several disputes regarding its neighbours. Unfortunately, Pakistan possesses not fully accepted the concept for impartiality advocated by its founding father, Quaid-i-Azam. Therefore, its foreign policy on security-centric has been impacted by internal as well as external variables. The majority of those factors pertain with Pakistan's long-term national welfare and safety amid a climate that involves political instability, financial crisis, weak civil administration, as well as looming threats by terrorism as well as neighbouring operations. Civilian-military tensions in the early 1960s, as well as the split from East Pakistan during 1971, prompted the country to reconsider existing international policies. In the first part of the 1980s, the Soviet Union's incursion of Afghanistan as well as the dispute involving the Soviet-led communist axis with its US-led liberal democracy group, together to the bequeathed Kashmiri crisis across the eastern as well as the Durand lines problem towards the west, leaving Pakistan without many foreign policy alternatives. By designated 'Wars on Terrorism' following 9/11 caused severe damages for the country's finances, society, and political environments, as well as a basement for America. Numerous domestic drivers influenced Pakistani foreign policy, including aspirations founded on the core goals: protecting its citizens. It is now participating alongside the 23rd IMF programme as well as ranks second to last in the International Human Development Indexes (HDI). In this context, the CPEC, which stands for the China-Pakistan Economic offers Islamabad a huge chance to use existing geoeconomic as well as diplomatic influence along with income possibilities. Eventually, it can improve Pakistan's financial along with geopolitical posture by increasing its regional links, fiscal autonomy, along with bilateral connections. This is clear because Pakistan's foreign policy is moulded by safety objectives, although the country is neither secured but prosperous.



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