

# Issue Brief

June 2026  
No: 514

**Dollars, Duplicity, and  
Diplomacy: The Paradox  
of US-Pakistan  
Transactional Security  
Partnership (1947-2026)**

**Ranveer Singh Solanki  
Suresh Kumar**



# Dollars, Duplicity, and Diplomacy: The Paradox of US-Pakistan Transactional Security Partnership (1947-2026)

## Abstract

*This article examines the relationship between United States financial assistance to Pakistan and documented instances where Pakistani state actors allegedly undermined American strategic interests. Based on government reports, congressional testimony, and academic research, this article presents evidence suggesting a pattern wherein Pakistan accepted substantial American aid, totaling approximately US\$78.3 billion between 1948 and 2016, while elements within its security establishment simultaneously supported actors hostile to US interests. The article also documents specific incidents, including nuclear proliferation, harbouring of terrorist leadership, intelligence agency support for militant groups, and the deliberate obstruction of American counter-terrorism objectives. In a striking contemporary twist, however, the very same Pakistani military establishment that Washington once castigated as duplicitous has, by 2025-2026, reinvented itself as America's indispensable diplomatic broker, mediating a ceasefire in the Iran war and hosting US-Iran talks in Islamabad. This paradox raises fundamental questions about the efficacy of transactional security partnerships, the durability of trust built on tactical convenience, and the ultimate limits of financial leverage in shaping the strategic behaviour of sovereign states.*

**Keywords:** US-Pakistan Relations, Foreign Aid Conditionality, Transactional Security Partnerships, Inter-Services Intelligence (ISI), Nuclear Proliferation, War on Terror, Iran war 2026, Diplomatic Mediation, Financial Leverage, Strategic Duplicity, South Asian Security

## Introduction

The United States-Pakistan relationship represents one of the most paradoxical alliances in modern geopolitical history. Since Pakistan's independence in 1947, the United States has provided approximately US\$78.3 billion in assistance to Islamabad, making Pakistan one of the largest recipients of American foreign aid (Epstein & Kronstadt, 2013). This substantial investment was predicated on Pakistan's strategic importance during the Cold War, the Soviet-Afghan conflict, and subsequently the War on Terror. However, declassified documents,

Congressional investigations, and official testimony reveal a troubling pattern: while accepting American financial support, elements within Pakistan's government and intelligence services allegedly facilitated activities directly contrary to US national security interests.

This article documents seven decades of what multiple US officials have characterised as Pakistani duplicity. The evidence presented herein is drawn exclusively from authoritative sources including US Government Accountability Office reports, Congressional Research Service analyses, official congressional testimony, and peer-reviewed academic research. The central argument is not merely that Pakistan pursued independent strategic objectives—a prerogative of any sovereign nation but rather that Pakistani state institutions systematically accepted American aid ostensibly designated for specific counterterrorism and security purposes while simultaneously undermining those very objectives.

The analysis proceeds chronologically, examining six distinct eras: (1) The Cold War alliance (1947-1979); (2) The Soviet-Afghan War period (1979-1989); (3) The nuclear proliferation crisis (1976-2004); (4) The post-9/11 War on Terror (2001-2018); (5) The aid suspension period (2018-2021); and (6) The remarkable rehabilitation of Pakistan as a US partner through its role in mediating the 2026 Iran war ceasefire. Each section presents documented incidents with specific dates, financial figures, and citations from government sources and academic research. Crucially, this article also examines what the contemporary bonhomie between Washington and Islamabad reveals about the enduring structural vulnerabilities in transactional security partnerships.

### **The Foundation of Alliance: Cold War Partnership and Early Aid Diversion (1947-1979)**

The United States-Pakistan relationship began within months of Pakistan's formation in August 1947. Perceiving Pakistan as a potential bulwark against Soviet expansion in South Asia, the Eisenhower administration initiated substantial military and economic assistance programmes. Between 1953 and 1961, Pakistan received approximately US\$2 billion in American aid, of which 25% was designated for military purposes (Birdsall & Kharas, 2013). Aid flows peaked in 1962 at US\$2.3 billion annually, reflecting Pakistan's participation in the Central Treaty Organization (CENTO) and the Southeast Asia Treaty Organization (SEATO).

However, even during this foundational period, questions emerged regarding Pakistan's utilisation of American military assistance; US Military Attachés reported that equipment and training ostensibly provided for collective security purposes against Soviet threats were instead being reoriented towards Pakistan's rivalry with India (Kronstadt, 2023). The 1965 India-Pakistan War proved particularly embarrassing for Washington, as American-supplied weapons appeared on both sides of the conflict, contradicting the explicit terms under which aid had been provided.

Congressional investigations in the late 1960s revealed that Pakistan had systematically redirected American military assistance towards its eastern border with India rather than its western frontier, which faced the theoretical Soviet threat that had justified the aid (Epstein & Kronstadt, 2013). This early pattern established a precedent that would repeat throughout the relationship: Pakistan would accept American assistance for stated purposes while pursuing fundamentally different strategic objectives.

### **The Soviet-Afghan War: Massive Aid and the Seeds of Future Betrayal (1979-1989)**

The Soviet invasion of Afghanistan, in December 1979, inaugurated a new era of American-Pakistan cooperation. Pakistan became the primary conduit for US support to the Afghan Mujahideen, and American aid flows increased exponentially. Between 1979 and 1989, the United States channeled approximately US\$32.5 billion through Pakistan for the anti-Soviet resistance (Birdsall & Kharas, 2013). Pakistan's Inter-Services Intelligence (ISI) directorate assumed responsibility for distributing weapons, training fighters, and coordinating operations.

Yet even during this period of ostensible cooperation, Pakistan intelligence services pursued parallel objectives that would later prove catastrophic for American interests. The ISI deliberately favoured the most extreme Islamist factions among the mujahideen, including those led by Gulbuddin Hekmatyar and Jalaluddin Haqqani— figures who would later become America's most implacable enemies (Waldman, 2010). The Haqqani network, which the CIA heavily funded during the 1980s as an anti-Soviet force, received particular support from the ISI. This relationship would endure long after the Soviet withdrawal, with devastating consequences.

Moreover, during this period, Pakistan's nuclear weapons programme accelerated dramatically. While the United States was providing billions in aid for the Afghan resistance, Pakistani scientist Abdul Qadeer Khan was establishing what would become the world's most dangerous nuclear proliferation network. The Reagan administration, prioritising anti-Soviet campaign, deliberately overlooked Pakistan's nuclear activities— a decision with far-reaching implications for global security.

### **The Nuclear Betrayal: The AQ Khan Network (1976-2004)**

Perhaps the most serious instance of Pakistan's actions contradicting American interests involves the nuclear proliferation activities conducted by Abdul Qadeer Khan and his network. Between the mid-1970s and 2004, Khan operated what investigators described as 'a criminal enterprise' selling nuclear weapons technology to some of the world's most hostile regimes (Squassoni, 2004, p. 2).

Khan's activities began in the 1970s when he stole classified centrifuge designs from URENCO— a European uranium enrichment consortium where he was employed (Nuclear Threat Initiative, 2004). Upon returning to Pakistan, Khan established the Khan Research Laboratories and developed Pakistan's uranium enrichment capabilities. Beginning in the mid-1980s and continuing through 2003, Khan sold nuclear technology and equipment to Iran, Libya, and North Korea (Institute for Science and International Security, 2004). The network relied on corrupt companies and manufacturers across multiple countries, using offshore businesses, shell companies, and illicit banking to facilitate transactions (Foundation for Defense of Democracies, 2021).

The network's exposure came in October 2003 when the US Navy intercepted the merchant vessel, *BBC China*, carrying nuclear centrifuges from Malaysia to Libya. On 04 February 2004, under intense pressure from the Bush administration, Pakistan President Pervez Musharraf forced Khan to confess on national television. The following day, Musharraf pardoned Khan, citing his importance as Pakistan's 'national hero.' AQ Khan died in February 2021, but the proliferation precedent he established— nuclear technology transferred through state-adjacent criminal networks, continues to haunt non-proliferation efforts (Foundation for Defense of Democracies, 2021). The strategic implications were profound: Khan's assistance

enabled North Korea to develop a uranium enrichment programme; Iran established a clandestine enrichment capability; and Libya acquired weapon designs— each representing a direct threat to American national security interests, occurring while the United States was providing Pakistan with billions in assistance.

## **The War on Terror Era: The Ultimate Betrayal (2001-2018)**

### ***The Post-9/11 Aid Surge and the Coalition Support Fund Scandal***

Following the 11 September 2001 terrorist attacks, Pakistan became a nominal ally in America's War on Terror. President Musharraf pledged full cooperation, and American aid flows increased dramatically. Between 2002 and 2011, Congress approved approximately US\$18 billion in assistance to Pakistan (U.S. Government Accountability Office, 2011). Military aid increased by 50,000% from US\$9 million in 2001 to US\$4.7 billion in 2004 (Epstein & Kronstadt, 2013). A significant portion of this assistance came through the Coalition Support Fund (CSF), which reimbursed Pakistan for counterterrorism operations. However, a 2008 GAO investigation found that Pakistan had received US\$5.56 billion in CSF payments, 81% of all such reimbursements globally, yet documentation was severely deficient (U.S. Government Accountability Office, 2008, p. 3). Bush administration officials additionally alleged that approximately 70% of Pakistan's US\$3.4 billion in military aid between 2002 and 2007, had been misspent, with equipment repositioned along the Indian border rather than used against Al-Qaeda (Kronstadt, 2023).

### ***The Daniel Pearl Murder (2002)***

The murder of *Wall Street Journal* reporter Daniel Pearl in February 2002 provided an early indication of the dangerous nexus between Pakistan intelligence services and terrorist organisations. Pearl was investigating connections between Pakistani militants and Richard Reid, the so-called 'shoe bomber', when he was kidnapped in Karachi on 23 January 2002. The kidnapping was orchestrated by Ahmed Omar Saeed Sheikh, a British-Pakistani militant with documented ties to Pakistan's ISI. After Pearl's kidnapping, Sheikh surrendered to Ejaz Shah, a former ISI official, rather than to regular police. Pearl was beheaded on 01 February 2002, by

Khalid Sheikh Mohammed. In April 2020, Pakistan's Sindh High Court overturned Sheikh's murder conviction; the Supreme Court upheld the decision in January 2021— a ruling U.S. officials characterised as emblematic of Pakistani 'duplicity' in counterterrorism cooperation (The Daily Beast, 2020).

### ***The Mumbai Attacks (2008)***

On 26 November 2008, ten terrorists from the Pakistani group Lashkar-e-Taiba (LeT) launched a coordinated assault on multiple targets in Mumbai, India. The four-day siege killed 166 people, including six Americans (Modern War Institute, 2025). David Coleman Headley's subsequent testimony to US and Indian investigators revealed that an ISI officer known as 'Major Iqbal' had provided US\$25,000 to establish a front company and begin surveillance operations, and had personally selected the Chabad House Jewish Centre as a target (ProPublica, 2011). The US investigation built what officials described as 'a strong case that officers in Pakistan's ISI collaborated with Lashkar-e-Taiba in the plot' (ProPublica, 2011). As terrorism expert Stephen Tankel noted, Lashkar-e-Taiba has never executed a major terrorist attack without sanction from its ISI handlers (Tankel, 2018). Despite overwhelming evidence, not a single ISI officer was prosecuted, and key attack masterminds including Hafiz Muhammad Saeed and Sajid Mir remained free in Pakistan for years.

### ***The Osama bin Laden Sanctuary (2005-2011)***

The discovery and killing of Osama bin Laden in Abbottabad, Pakistan, on 02 May 2011, represented perhaps the most damning evidence of Pakistan's duplicity. The world's most wanted terrorist has been living in a specially constructed compound— less than one mile from Pakistan's premier military academy for approximately five to six years (Riedel, 2013). Former ISI Chief Asad Durrani later admitted it was 'probable' that the ISI had known of bin Laden's location, and that the agency likely had kept him 'under protection' (Fair, 2013). The unilateral American raid, conducted without informing Pakistani authorities, reflected profound US distrust that proved entirely justified.

### ***The Haqqani Network and Admiral Mullen's Testimony (2011)***

In September 2011, Admiral Mike Mullen, Chairman of the Joint Chiefs of Staff, delivered unprecedented public testimony before the Senate Armed Services Committee: 'The

Haqqani network acts as a veritable arm of Pakistan's Inter-Services Intelligence agency' (Mullen, 2011). Mullen testified that the ISI had supported the planning and execution of the 10 September 2011 truck bomb attack that injured 77 American soldiers, and the subsequent assault on the US Embassy in Kabul that sparked a 19-hour gun battle (112th Congress, 2012). This testimony, vetted and approved by the National Security Council prior to delivery, represented the considered view of the Obama administration. Secretary of State, Hillary Clinton subsequently confirmed that the Haqqani Network had 'safe havens inside Pakistan' with ISI knowledge (Clinton, 2011). The Long War Journal, drawing on intercepted communications, reported that Badruddin Haqqani personally directed attackers at the Intercontinental Hotel in Kabul on 28 June 2011 while laughing during the assault (Long War Journal, 2011).

### ***The Raymond Davis Incident and CIA-ISI Breakdown (2011)***

On 27 January 2011, CIA contractor Raymond Davis shot and killed two Pakistani men in Lahore, precipitating a diplomatic crisis that exposed the depths of US-Pakistani intelligence tensions. Pakistani sources alleged that the two men were ISI operatives conducting surveillance on Davis. Data retrieved from Davis's phones and GPS devices showed he had conducted extensive surveillance activities throughout Pakistan without ISI approval (Fair, 2011). ISI Chief, Ahmed Shuja Pasha, flew to Washington to confront CIA Director Leon Panetta. Davis was ultimately released on 16 March 2011, after a US\$2.4 million 'blood money' payment to the victims' families—a payment Davis claims was orchestrated by Pakistan's civilian and military leadership (Davis, 2017). The resolution highlighted the extent to which the relationship had devolved into transactional bargaining rather than genuine partnership.

### ***The Quetta Shura: Harboring the Taliban Leadership***

Throughout the 'War on Terror' period, Pakistan provided sanctuary to the Afghan Taliban's supreme leadership council—the Quetta Shura, which directed the insurgency against American and NATO forces from Pakistan's territory. General Stanley McChrystal reported to President Obama in 2009 that "Afghanistan's insurgency is clearly supported from Pakistan" and that the Quetta Shura conducted formal campaign reviews from Pakistan territory (Waldman,

2010, p. 2). A landmark 2010 London School of Economics study concluded that Pakistan's support for the Taliban was 'official policy' of the ISI, with Pakistan playing 'a double-game of astonishing magnitude' (Waldman, 2010). NBC News reported that Taliban commanders confirmed the ISI provided funding, munitions, supplies, and even had representatives attending Quetta Shura meetings (NBC News, 2010). Pakistan initially denied the Quetta Shura's existence entirely, only acknowledging it in December 2009 (Riedel, 2010).

### ***Aid Suspension and Strategic Recalibration (2018-2021)***

By 2018, frustration with Pakistan's duplicity had reached such levels that the Trump administration took unprecedented action. In January 2018, President Trump announced the suspension of approximately \$1.3 billion in security assistance to Pakistan, stating that the United States had 'foolishly given Pakistan more than 33 billion dollars in aid over the last 15 years, and they have given us nothing but lies and deceit' (Kronstadt, 2023, p. 22). During this period, Pakistan faced significant economic pressure and was forced to seek bailouts from the International Monetary Fund. The Haqqani network that Admiral Mullen had characterised as a 'veritable arm' of the ISI was now part of the Taliban government in Afghanistan, with Sirajuddin Haqqani serving as Interior Minister (Kronstadt, 2023)— a development that underscored the long-term strategic costs of Pakistan's proxy relationships.

### **The Remarkable Rehabilitation: US-Pakistan Bonhomie and the Iran War (2025-2026)**

In a development that would have seemed implausible even five years ago, the very relationship defined by seven decades of mutual suspicion, aid cutoffs, and accusations of betrayal has, by 2025-2026, been dramatically rehabilitated and the catalyst has been Pakistan's emergence as an indispensable diplomatic broker in the 2026 Iran war. This contemporary episode does not erase the historical record, instead it amplifies the fundamental questions this article raises about the nature and durability of transactional security partnerships.

### **The India-Pakistan Conflict and the Trump-Munir Axis**

The turning point came after a four-day military conflict between India and Pakistan in May 2025. President Trump positioned himself as the peacemaker, and Pakistan's military establishment, now effectively led by Field Marshal Asim Munir, responded with calculated

strategic flattery. Pakistan formally nominated Trump for the Nobel Peace Prize, joined Trump's Board of Peace, launched a collaboration with World Liberty Financial (a crypto platform co-founded by Trump), and signed a deal with the United States to help develop Pakistan's largely untapped oil reserves (Council on Foreign Relations, 2026). Pakistan also arrested a suspect linked to the 2021 Kabul airport bombing, for which Trump praised Pakistan in a joint session of Congress, and the arrest was described as 'critical' in re-establishing trust after a decade of mistrust (The Diplomat, 2026).

In June 2025, Trump hosted Munir at the White House for an unprecedented private lunch—first time a US President have hosted the head of Pakistan's army unaccompanied by the country's political leadership (Council on Foreign Relations, 2026). Trump publicly praised Munir on multiple occasions and acknowledged Pakistan's ties with Iran, telling reporters that Pakistanis 'know Iran very well, better than most' (Al Jazeera, 2025). In September 2025, Prime Minister Shehbaz Sharif and Munir visited the White House together and met Trump, Vice President JD Vance, and Secretary of State Marco Rubio (Al Jazeera, 2026). Munir also attended the retirement ceremony of General Michael Kurilla, Chief of US Central Command, in August 2025, and a \$500 million memorandum was signed in Islamabad between a US Strategic Metals company and Pakistan's army engineering unit for critical minerals extraction (Chatham House, 2026).

### **Pakistan as Iran War Mediator**

The Iran war began on 28 February 2026, when the United States and Israel launched coordinated strikes that killed Supreme Leader Khamenei and struck Iran's military and nuclear infrastructure, killing more than 2,000 people in five weeks and disrupting roughly a fifth of the world's oil supplies (Al Jazeera, 2026). Pakistan's diplomatic engagement began almost immediately, largely behind the scenes. When the first strikes hit Tehran, Foreign Minister Ishaq Dar was in Saudi Arabia attending an Organisation of Islamic Cooperation meeting, and Pakistan's Ministry of Foreign Affairs issued a rapid statement condemning attacks by all sides (Al Jazeera, 2026). Pakistan's motivation was not merely diplomatic opportunity but strategic necessity: Pakistan imports between 85% and 90% of its crude oil from the Gulf, and over five

million Pakistani nationals live in the region, with remittances of approximately \$30 billion annually at risk (The Conversation, 2026). Urea fertiliser prices surged 50% following the outbreak of hostilities, threatening Pakistan's agriculture-dependent economy (The Conversation, 2026).

In April 2026, Pakistan hosted the first round of US-Iran talks in Islamabad—the first high-level diplomatic contact between the two adversaries. Pakistan also played a central role in mediating a two-week ceasefire, which Trump announced on Truth Social with less than 90 minutes remaining until his own stated deadline (Al Jazeera, 2026). Pakistan's reinvention drew explicit historical comparisons to its 1971 facilitation of Kissinger's secret trip to Beijing. One prominent analyst noted: 'A decade ago, the Iran war negotiations and potential security alliances, all of which rely on mutual trust, were exactly the type of talks and deals that pariah Pakistan would never have been allowed into. But today, that former outcast is now the one being courted by the world' (Council on Foreign Relations, 2026).

Pakistan's dual relationship with both the United States and Iran was the key to its effectiveness as a mediator. Pakistan maintained a 900-kilometre border with Iran, had engaged Iranian military leadership at senior levels before the war, and was one of the few countries trusted by Tehran while simultaneously cultivating warm ties with Washington (Stimson Center, 2026). Pakistan and China also issued a joint five-point plan on 31 March 2026, recognising the limitations of Pakistan's individual mediation and the need for a major global actor to underpin its diplomatic efforts (Stimson Center, 2026).

### **The Paradox Within the Paradox: Limits of the New Bonhomie**

Yet even this apparently triumphant rehabilitation carries within it the seeds of the same structural tensions that have defined the US-Pakistan relationship throughout its history. Pakistan simultaneously maintained military cooperation with Saudi Arabia deploying fighter jets to King Abdulaziz Air Base to help protect Riyadh from Iranian drones while positioning itself as a neutral broker between Washington and Tehran (The National Interest, 2026). For Iran, the optics were deeply contradictory: their mediator was visibly moving military assets into the camp of a Gulf power closely aligned with Washington. Iran accordingly began looking beyond

Islamabad, with Foreign Minister Araghchi moving towards Oman and Russia after the Pakistan hosted track stalled (The National Interest, 2026).

The National Interest noted pointedly that, Pakistan's apparent double dealing 'plays into long-running American tropes about Pakistani duplicity' and that it 'is widely believed in Washington that Pakistan stoked the conflict in Afghanistan during the War on Terror in order to make itself indispensable to the Americans as a security partner' (The National Interest, 2026). Trump himself reportedly called off the dispatch of envoys viz. Steve Witkoff and Jared Kushner, to Pakistan after the Islamabad talks stalled, citing 'too much travel and expense'. History's echo is unmistakable: Pakistan once again appears to be calibrating its usefulness to multiple parties, managing its indispensability rather than resolving the underlying contradictions in its strategic posture.

Chatham House's analysis was equally sober, noting that 'history offers few grounds for optimism' that Pakistan will extract tangible long-term economic benefits from the United States in return for its mediation efforts (Chatham House, 2026). The former Pakistani envoy's own cautionary note framed the fragility of the new partnership: 'No relationships are, however, assured in perpetuity. Look at the Trump-Modi bonhomie in the first Trump administration and it's unravelling now' (Al Jazeera, 2026). The transactional logic that built the relationship can dissolve it just as quickly as circumstances change.

### **The Fundamental Questions: Efficacy of Transactional Partnerships and the Limits of Financial Leverage**

The seven-decade arc of US-Pakistan relations, culminating in the extraordinary spectacle of a country once characterised as an 'ally from hell' hosting US-Iran peace talks in its capital, raises fundamental questions that transcends the bilateral relationship and speak to the basic logic of transactional security partnerships in international relations.

### ***Can Money Buy Strategic Alignment?***

The most persistent lesson of the US-Pakistan relationship is the limited utility of financial assistance as an instrument of strategic transformation. Approximately US\$78.3 billion in American aid failed to prevent nuclear proliferation to Iran, Libya, and North Korea; the harbouring of the world's most wanted terrorist; ISI support for organisations that killed American soldiers; and the systematic obstruction of counterterrorism objectives. GAO investigations found that billions in military aid were diverted from their stated purposes, with some estimates suggesting 70% of certain assistance packages were misspent (U.S. Government Accountability Office, 2008).

The theoretical basis for financial leverage assumes that aid recipients will modify their strategic behaviour to preserve the flow of assistance. In practice, Pakistan repeatedly demonstrated that it could compartmentalise: cooperating on certain American priorities (such as capturing Khalid Sheikh Mohammed in 2003) while simultaneously undermining others (maintaining Haqqani network sanctuaries, protecting Taliban leadership). By providing just enough cooperation to prevent total aid cutoffs, Pakistan extracted maximum financial benefit while preserving the strategic assets it deemed essential to its own security calculus.

The Trump administration's 2018 suspension of \$1.3 billion in security assistance demonstrated that financial pressure could impose costs on Pakistan, forcing it toward IMF bailouts and economic austerity. Yet even this unprecedented punitive action did not produce fundamental strategic reorientation. Pakistan did not dismantle the Haqqani network, did not sever ties with Taliban leadership, and did not restructure its relationship with militant proxies. The suspension succeeded in signaling displeasure; it failed to alter Pakistan's strategic culture.

### ***Indispensability as a Strategic Asset***

What the US-Pakistan relationship reveals, more than the failure of financial leverage, is Pakistan's remarkable success in managing its own indispensability. Pakistan has consistently positioned itself at the intersection of American strategic interests during the Cold War as an anti-Soviet bulwark, during the Soviet-Afghan War as a mujahideen conduit, during the War on Terror as a counterterrorism partner, and now as the only Muslim majority nuclear power with simultaneous credibility in Washington, Tehran, Riyadh, and Beijing.

This structural indispensability fundamentally limits the coercive potential of financial leverage. When Pakistan controls vital supply routes, shares a 900-kilometre border with Iran, maintains a nuclear arsenal that requires American engagement on non-proliferation, and holds the trust of parties that Washington cannot directly engage, then the prospect of truly severing the relationship becomes strategically untenable. Pakistan has understood this dynamic far better than its American patrons, and has exploited it with considerable sophistication across successive administrations.

### ***Transactional Partnerships and the Limits of Leverage***

The broader theoretical implications extend beyond the US-Pakistan case. Transactional security partnerships face a structural vulnerability: they are inherently asymmetric in their dependence. When a great power provides assistance to a smaller state, assuming that money will purchase alignment, it often underestimates the extent to which the recipient state has alternative sources of leverage, alternative strategic priorities, and a longer time horizon than the donor.

Pakistan's behaviour across seven decades demonstrates that financially dependent states are not necessarily strategically compliant states. Dependence can co-exist with defiance when the recipient perceives its core security interests as non-negotiable and Pakistan has consistently treated its India policy, its Afghan strategic depth doctrine, and its nuclear deterrent as non-negotiable, regardless of American financial pressure. The aid relationship thus operated in a kind of strategic decoupling: American money funded Pakistani cooperation in specific arenas while Pakistani strategic culture operated according to its own logic in others.

The contemporary bonhomie between Trump and Pakistan's military establishment reflects a different mode of transactional engagement— one that is built on mutual flattery, business deals, personal chemistry, and geopolitical convenience rather than on security assistance conditionality. Pakistan has masterfully adapted its courtship to Trump's particular temperament: Nobel Prize nominations, cryptocurrency partnerships, public praise, and the carefully cultivated image of Munir as a strong military leader. Yet this personalised transactionalism is inherently fragile. The former envoy's warning about the Trump-Modi

bonhomie's unravelling applies with equal force here: personal chemistry is no substitute for structural alignment of interests (Al Jazeera, 2026).

### **Conclusion: The Price of Strategic Delusion and the Lessons of Seven Decades**

This examination of seven decades of US-Pakistan relations reveals a pattern that defies characterisation as merely strategic disagreement. The evidence documented in official US government reports, congressional testimony, and academic research demonstrates that Pakistan systematically accepted American financial assistance while elements of its state apparatus, particularly the Inter-Services Intelligence directorate, simultaneously supported activities directly hostile to American interests. The financial cost is staggering: approximately US\$78.3 billion in aid between 1948 and 2016, with GAO investigations confirming that billions were diverted from stated counterterrorism purposes.

The human cost is incalculable—166 victims of the Mumbai attacks, 2,977 killed on 9/11 by an organisation whose leadership Pakistan later harboured, thousands of American soldiers killed and wounded by Haqqani network attacks supported by the ISI, and countless Afghan civilians killed by Taliban insurgents operating from Pakistani sanctuaries— all represent the human toll of Pakistan's strategic duplicity.

And yet, in 2026, Pakistan hosted the first direct US-Iran talks in its capital. The country once called the 'ally from hell' was now being praised by the American President as indispensable to regional stability. Field Marshal Asim Munir, the Head of the same military establishment that Admiral Mullen characterised as a 'veritable arm' supporting anti-American terrorists, was being welcomed to private White House lunches. This is not a contradiction that invalidates the historical record; it is the historical record, in all its paradoxical complexity.

The fundamental lesson is this: financial leverage in international relations is not a substitute for structural alignment of interests. Pakistan repeatedly demonstrated, across seven decades that, it would accept American money while pursuing Pakistan's strategic priorities. When Pakistan finally delivered genuine value to Washington through its Iran mediation, it did so not because of American financial leverage but because of its own independently cultivated relationships, its geography, and its structural indispensability.

Future US policy must abandon the fiction that financial assistance can purchase strategic transformation. Engagement should be conditional, specific, and rigorously verified. The historical record supports a sobering conclusion: after seven decades and nearly US\$80 billion, Pakistan has demonstrated a consistent capacity to accept American assistance while pursuing its own strategic priorities and an equally consistent capacity for dramatic reinvention when geopolitical circumstances demand it. As the former Pakistani envoy himself acknowledged in the afterglow of the Iran ceasefire: ‘No relationships are, however, assured in perpetuity’. After seven decades and nearly US\$80 billion, that observation contains more truth than diplomatic modesty (Al Jazeera, 2026).

### **Works Cited**

- A decade on from the 2008 Mumbai attack: Reviewing the question of state-sponsorship (2018). *International Centre for Counter-Terrorism [ICCT]*. <https://icct.nl/publication/decade-2008-mumbai-attack-reviewing-question-state-sponsorship>.
- Admiral Mullen: Pakistani ISI sponsoring Haqqani attacks (2011, September 22). *Long War Journal*. [https://www.longwarjournal.org/archives/2011/09/admiral\\_mullen\\_pakis.php](https://www.longwarjournal.org/archives/2011/09/admiral_mullen_pakis.php).
- Amid US–Pakistan thaw, two key challenges: Iran and China (2025, June 20). *Al Jazeera*. <https://www.aljazeera.com/news/2025/6/20/amid-us-pakistan-thaw-two-key-challenges-iran-and-china>.
- A.Q. Khan nuclear chronology (2005, September 7). *Carnegie Endowment for International Peace*. <https://carnegieendowment.org/2005/09/07/a.-q.-khan-nuclear-chronology-pub-17420>.
- Birdsall, N., & Kharas, H. (2013). Aid to Pakistan by the numbers. *Center for Global Development*. <https://www.cgdev.org/page/aid-pakistan-numbers>.
- Clinton, H. R. (2011, October 27). Testimony before the House Committee on Foreign Affairs, 112th Congress, 1st Session. U.S. House of Representatives.
- Combating terrorism: Increased oversight and accountability needed over Pakistan reimbursement claims for coalition support funds (Report No. GAO-08-806) {2008}. *U.S. Government Accountability Office*. <https://www.gao.gov/assets/gao-08-806.pdf>.
- Davis, R. A. (2017). The contractor: How I landed in a Pakistani prison and ignited a diplomatic crisis. *BenBella Books*.
- Epstein, S. B., & Kronstadt, K. A. (2013). Pakistan: U.S. foreign assistance (CRS Report No. R41856). *Congressional Research Service*. <https://sgp.fas.org/crs/row/R41856.pdf>.

- Fair, C. C. (2011, March 10). Spy for a spy: The CIA–ISI showdown over Raymond Davis. *Foreign Policy*. <https://foreignpolicy.com/2011/03/10/spy-for-a-spy-the-cia-isi-showdown-over-raymond-davis/>.
- Fair, C. C. (2013, July). Unpacking the Abbottabad Commission Report. *Carnegie Endowment for International Peace*. <https://carnegieendowment.org/posts/2013/07/unpacking-the-abbotabad-commission-report>.
- How Pakistani spy officials blocked justice for Daniel Pearl (2020, September 7). *The Daily Beast*. <https://www.thedailybeast.com/how-pakistani-spy-officials-blocked-justice-for-daniel-pearl>.
- How Pakistan managed to get the US and Iran to a ceasefire (2026, April 8). *Al Jazeera*. <https://www.aljazeera.com/features/2026/4/8/how-pakistan-managed-to-get-the-us-and-iran-to-a-ceasefire>.
- How Pakistan became the Iran war’s unlikely peace negotiator (2026). *Council on Foreign Relations*. <https://www.cfr.org/articles/how-pakistan-became-the-iran-wars-unlikely-peace-negotiator>.
- How Pakistan became the primary mediator between the US and Iran (2026). *The Conversation*. <https://theconversation.com/how-pakistan-became-the-primary-mediator-between-the-us-and-iran-282342>.
- Islamabad talks: US and Iran hold first direct diplomatic round (2026, April 11). *Al Jazeera*. <https://www.aljazeera.com/news/2026/4/11/islamabad-talks-us-iran-first-direct-diplomatic-round>.
- Kronstadt, K. A. (2023). Pakistan and U.S.–Pakistan relations (CRS Report No. R47565). *Congressional Research Service*. <https://crsreports.congress.gov/product/pdf/R/R47565>.
- Mullen, M. G. (2011, September 22). [Testimony before the Senate Armed Services Committee, 112th Congress, 1st Session].
- Mumbai case offers rare picture of ties between Pakistan’s intelligence service, militants (2011, November 22). *ProPublica*. <https://www.propublica.org/article/mumbai-case-offers-rare-picture-of-ties-between-pakistans-intelligence-serv>.
- Nomani, A. (2011). The truth left behind: Inside the kidnapping and murder of Daniel Pearl. *Center for Public Integrity & Georgetown University*.
- Pakistan is mediating between Iran and the US because it can—and it must (2026, April). *The Diplomat*. <https://thediplomat.com/2026/04/pakistan-is-mediating-between-iran-and-the-us-because-it-can-and-it-must/>.
- Pakistan Terrorism Accountability Act of 2012, H.R. 5734, 112th Cong. (2012). <https://www.govinfo.gov/content/pkg/PLAW-112publ168/html/PLAW-112publ168.htm>.
- Riedel, B. (2010, March 12). Finally, a Taliban crackdown. *Brookings Institution*. <https://www.brookings.edu/articles/finally-a-taliban-crackdown/>.
- Riedel, B. (2013, July 8). Pakistan’s Osama bin Laden report: Was Pakistan clueless or complicit in harbouring bin Laden? *Brookings Institution*. <https://www.brookings.edu/articles/pakistans-osama-bin-laden-report-was-pakistan-clueless-or-complicit-in-harboring-bin-laden/>.

- Squassoni, S. (2004, April). Closing Pandora's box: Pakistan's role in nuclear proliferation. *Arms Control Today*, 34(3), 8–12. <https://www.armscontrol.org/act/2004-04/features/closing-pandoras-box-pakistans-role-nuclear-proliferation>.
- Stimson Center. (2026, April). The motives and constraints behind Pakistan's mediation between the US and Iran. <https://www.stimson.org/2026/the-motives-and-constraints-behind-pakistans-mediation-between-the-us-and-iran/>.
- The lasting legacy of A.Q. Khan (2021, November 2). *Foundation for Defense of Democracies*. <https://www.fdd.org/analysis/2021/11/02/the-lasting-legacy-of-aq-khan/>.
- The Salala incident: Implications for Pakistan–United States ties (2012). *Strategic Studies*, 32(4), 45–68. [https://issi.org.pk/wp-content/uploads/2014/06/1379054832\\_41565742.pdf](https://issi.org.pk/wp-content/uploads/2014/06/1379054832_41565742.pdf).
- Tankel, S. (2018, November 26). Ten years after Mumbai, the group responsible is deadlier than ever. *War on the Rocks*. <https://warontherocks.com/2018/11/ten-years-after-mumbai-the-group-responsible-is-deadlier-than-ever/>.
- The AQ Khan revelations and subsequent changes to Pakistani export controls (2004, November 30). *Nuclear Threat Initiative*. <https://www.nti.org/analysis/articles/aq-khan-revelations/>.
- Uncovering the nuclear black market: Working toward closing gaps in the international nonproliferation regime (2004). *Institute for Science and International Security*. [https://isis-online.org/publications/southasia/nuclear\\_black\\_market.html](https://isis-online.org/publications/southasia/nuclear_black_market.html).
- Urban warfare project case study #16: Mumbai terrorist attacks (2025, November 26). *Modern War Institute*. <https://mwi.westpoint.edu/urban-warfare-project-case-study-16-mumbai-terrorist-attacks/>.
- U.S. Senate slams Pakistan for aiding Taliban (2010, June 13). *NBC News*. Report <https://www.nbcnews.com/id/wbna37665955>.
- U.S. Government Accountability Office. (2011). Pakistan assistance: Relatively little of the \$3 billion in requested assistance is subject to State's certification of Pakistan's progress on nonproliferation and counterterrorism issues (Report No. GAO-11-786R). <https://www.gao.gov/assets/gao-11-786r.pdf>.
- Waldman, M. (2010). The sun in the sky: The relationship between Pakistan's ISI and Afghan insurgents (Crisis States Discussion Paper No. 18). *Crisis States Research Centre, London School of Economics and Political Science*. <https://www.lse.ac.uk/international-development/Assets/Documents/PDFs/csdc-discussion-papers/dp18-The-Sun-in-the-Sky.pdf>.
- What does Pakistan gain from its Iran–US diplomacy? (2026, April). *Chatham House*. <https://www.chathamhouse.org/2026/04/what-does-pakistan-gain-its-iran-us-diplomacy>.
- Why the US and Iran are losing confidence in Pakistan (2026, May). *The National Interest*. <https://nationalinterest.org/blog/silk-road-rivalries/why-the-us-and-iran-are-losing-confidence-in-pakistan>.

## About the Author

**Ranveer Singh Solanki** is a Ph.D. Scholar at the School of International Studies(SIS), Jawaharlal Nehru University (JNU), New Delhi. He has qualified the UGC-NET with Junior Research Fellowship (JRF) in Political Science and International Relations. He holds a Master's Degree in International Relations from JNU, New Delhi and Bachelor's degree in Political Science from the University of Delhi. His research and opinion pieces have been published in several national and international journals, newspapers, and policy platforms. He has also been invited to speak at academic events and conferences hosted by universities in multiple countries. His recent opinion article is titled "India Must Move on Its Central Asia Policy"

**Dr. Suresh Kumar** is a Political Science scholar specialising in Eurasian Geopolitics and post-Soviet democratisation. He holds a Ph.D. from School of International Studies, Jawaharlal Nehru University and has qualified UGC NET-JRF in Political Science. His PhD topic was "Democratisation in Kyrgyzstan : Competing Actors, Alternative Perspectives and Strategies". His research spans India-Russia relations, Central Asian politics, and US-EU democracy promotion in Central Asia, presented at national and international conferences.



All Rights Reserved 2026 Centre for Land Warfare Studies (CLAWS)

No part of this publication may be reproduced, copied, archived, retained or transmitted through print, speech or electronic media without prior written approval from CLAWS. The views expressed and suggestions made in the article are solely of the author in his personal capacity and do not have any official endorsement. Attributability of the contents lies purely with author.