



CENTRE for AEROSPACE & SECURITY STUDIES

CASS SEMINAR PRESS RELEASE

“The US & Pakistan: Politics, Diplomacy and Economics under the Next Administration”

Pakistan can play role of a bridge between the US and China; and between the US and Iran.

FATF is being used as a tool of political coercion.

The value of Indian suspicious financial transactions are likely to be 400 times larger than that of Pakistan.

Programs should be developed whereby second-generation Americans of Pakistani descent visit regularly to maintain their links with the country and understand Pakistan’s socioeconomic landscape.

Whether Democrats or Republicans hold the White House, there are many considerations that will determine the direction and magnitude of engagement between Pakistan and the United States (US). Some of these considerations are domestic, while others will be shaped by larger regional and global interests. Issues of special importance include US-China rivalry; Sino-Indian tensions; stability in Afghanistan; US domestic polarization; and the impacts of projects like CPEC and politicization of FATF as well as Pakistan’s economic fundamentals. If global money laundering is to be taken seriously, one needs to sanction New York, London, Frankfurt and New Delhi to the hilt.

These were some of the key takeaways of the seminar on *‘The US & Pakistan: Politics, Diplomacy and Economics under the Next Administration’* organised by the Centre for Aerospace and Security Studies (CASS), in collaboration with the Association of Pakistani Americans.

The webinar was attended by senior members of PAK PAC, AP PAC, American-United PAC, Kashmir Solidarity Council, Pak-America Business Forum, Crescent Foundation, and ICNA Relief, amongst others.

While providing a brief overview, **Mr Nadeem Zaman, President, Association of Pakistani Americans** pointed out that since the US Presidential Elections are around the corner, it is important to discuss the diplomatic, economic, and political aspects of the US-Pakistan bilateral relationship and its future under the next administration in light of changing local and international dynamics. He stressed the need for sensitizing the Pakistani diaspora in the US and elsewhere on critical issues related to Pakistan's future to seek their input and recommendations in the conduct of diplomacy and advocacy.

In his Opening Remarks, **Air Chief Marshal (R) Kaleem Saadat, President of CASS** highlighted that Pakistanis are the 6th largest diaspora in the world and the US is an important destination. He explained that inability to use the potential of Pakistani professionals trained, and residing in the US, is due to the small size of Pakistan's economy and not enough commensurate positions where they could be employed. He urged that it is vital to strategize how Pakistani diaspora can impact US policies about Pakistan, especially given that the former 'engages when the conditions suit its own interests and disengages whenever its interests are not being served.' In view of the current US-China rivalry and US pivot to India, Pakistan will need to maintain a balance between its two vital partners, the President said.

According to **Ambassador (R) Jalil Abbas Jilani, CASS Director on Foreign Policy**, the US will continue to remain a great super power in the years to come, and Pakistan needs to maintain cordial relations with both Washington and Beijing. He added that while CPEC is a manifestation of China's support to Pakistan, the US is equally important for the latter's economic well-being since it is a major trading partner and export destination for Pakistani goods.

Both countries need to find alternative ways to move forward on issues that are of mutual interest, especially non-traditional security threats like climate change. The Ambassador pointed out that not only has Pakistan proven to be an invaluable partner in the intra-Afghan dialogue, it is also in a position to act as a bridge between the US and China; and between Iran and the US. He advised that second-generation Americans of Pakistani descent need to visit regularly to maintain their links with the country and understand Pakistan's socioeconomic landscape. For this, some arrangements need to be made.

Discussing the US-Pakistan relationship from a political economy perspective, **Dr Usman Chohan, CASS Director on Economic Affairs and National Development** highlighted that the relationship and its future cannot be discussed without factoring in how both have tackled the Coronavirus pandemic. According to him, there are both structural and policy factors that together illustrate Pakistan's early victories against COVID-19. The foremost being Pakistan's demographics - with 70% below the age of 29, the demographic pyramid has been an intrinsic blessing. The second major factor is the low co-morbidity of factors such as obesity. The US (unlike Pakistan) has a whopping 36% obesity rate with more than one-third Americans falling into this danger zone. A third factor has been Pakistan's generally ad-hoc urbanisation characterised by low-rise buildings as opposed to tall high-rises like the ones in the States.

Dr Chohan also highlighted that the Government of Pakistan, unlike that of the US, took the pandemic very seriously from the beginning for preserving both peoples' lives and livelihoods through a national coordination mechanism between the centre and provinces, along with both civil and military expertise and manpower. 'Policies such as smart lockdowns and widespread public messaging further curtailed the virus' onslaught, and reflected the sobriety with which the government mobilised, despite its resource constraints', he shared.

On the issue of FATF, Dr Chohan clarified that Pakistani 'suspicious activity reports (SARs)' amount to \$2.5 million out of more than \$2 trillion - a tiny drop in the ocean, and begs the question of why Pakistan is constantly singled out for the FATF's grey list and possible blacklisting. According to the International Consortium of Investigative Journalists (ICIJ), the biggest money-launderers include JP Morgan Chase, HSBC, Standard Chartered, Deutsche Bank, and Bank of New York Mellon.

He stressed that 'North American and European banks are, in fact, the worst perpetrators of money laundering in the world, and FinCEN helps to cement that realisation of the West's culpability in global money laundering.' Dr Chohan opined that Congress and Wall Street are out of sync with the hardships of the ordinary American citizen and hence, becoming more polarised and reactionary. He was of the view that regional and global connectivity projects like BRI and CPEC are progressive and bring hope for a more inter-connected world.

The webinar was followed by a Question/Answer session from prominent members of the American diaspora.