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Vol: 03, Issue: 01(2022) DOI: <https://doi.org/10.58669/jspga.v03.i01.02>**Pakistan's KSA-Iran Policy: Challenges and Way Forward**

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Abstract: Pakistan has traditionally upright relations with both Iran and Kingdom of Saudi Arabia but at the same time Pakistan is caught in the Middle of the conflict between these two countries. Although For Saudi Arabia and Iran, Pakistan holds obvious appeal in different aspects but Pakistan's domestic social fabric and religious architecture demands to have neutral and balanced relations with both countries. Similarly Pakistan's geo-political and geo-economic environment also demands to avoid one-sidedness in case of Tehran and Riyadh. On the one hand Pakistan usually asserts in statements that any threat to Saudi Arabia's territorial integrity particularly to the "two holy cities of Mecca and Medina" would evoke a strong response from Pakistan. On the other hand when Saudi Arabia demanded deployment of Pakistani troops against Iran backed Houthis in Yemen, Pakistan's Parliament unanimously voted to decline a Saudi request to participate in its coalition fighting in Yemen against the allegedly Iranian-backed Houthi rebels. To justify this stance, Pakistan said that the situation was overstretched at home and that is why government is unwilling to pick sides between a "brotherly" Saudi Arabia and a "neighborly" Iran. Simultaneously Pakistan has been trying to relieve its regional isolation by improving ties with Iran, because Pakistan's Eastern and Western borders respectively with India and Afghanistan are already volatile. Iran is also more important to Pakistan's energy needs than Saudi Arabia because of its neighborhood. Keeping in view conflict between Iran and KSA Pakistan adopted a more conciliatory and appeasing tone particularly during the period of Nawaz Sharif and Imran Khan, suggesting that Islamabad was willing to play the role of mediator between Saudi Arabia and Iran. This study is trying to answer that how can Pakistan establish an unbiased and sensible stance towards Iran and KSA and which are the major challenges impeding Pakistan's KSA-Iran policy? Walking the tightrope between the Middle East's two big rivals also demands logical way forward for Pakistan's foreign policy to confront with concerned challenges.

Key Words: Iran, Kingdom of Saudi Arabia, Pakistan, Regional Security Complex

Introduction

Pakistan is one of the countries that have close relations and interests attached to both the arch rivals; Iran and Kingdom of Saudi Arabia (KSA). Pakistan itself holds an important status in the Muslim world. Being geographically situated at the cross roads of South Asia, Central Asia, Middle East and geo-strategically having a strong military and nuclear capability, Pakistan is considered important by both Iran and KSA. It has religious respect and economic ties with KSA while Iran is an important neighbor with which Pakistan have religious, historical and many other commonalities. Iran was the first country to recognize Pakistan and support during wars with India. Similarly, after KSA experienced economic boom in 1970s due to its oil riches, Pakistan saw it as an important economic partner. However, Pakistan is often caught in the rivalry between Iran and KSA. The conflict between these two countries spans over four decades and does not only influence regional dynamics but intra-regional scenarios as well. Expansion of political and ideological clout has become a challenge for a country like Pakistan which cannot give up its relations with either of the countries. It finds itself in a dilemma when its social architecture is affected as a result of this conflict. Despite claiming neutrality, in practice it becomes difficult for

Pakistan to not tilt towards one side. Pakistan faces international pressures as well as situation at domestic level which hinders Pakistan's neutral stance towards Iran and KSA. Since Pakistan cannot please one state at the cost of displeasure of the other state, it must devise a policy that would be balanced in approach. Here question arises that how can Pakistan establish a neutral and balanced stance towards Iran and KSA and which are the major challenges hampering Pakistan's KSA-Iran policy? To answer this question, Framework of Regional Security Complex Theory (RSCT) can be employed which has compatibility to discuss inter-regional relations.

Conceptual Framework

Pakistan's policy towards KSA and Iran is explained through the framework of Regional Security Complex Theory (RSCT) propounded by Barry Buzan and Ole Waever. According to RSCT, the security issues should be understood from a regional perspective. States within a region exhibit a pattern of behavior and their security concerns are interdependent. This pattern and behavior form a structure which Barry Buzan has named as "Regional Security Complex (RSC). It not only refers to regional security but also international, inter-regional, intra-regional and domestic security issues. Dynamics of national security are interdependent between the states and thus it has

impact on domestic and regional level. The relations between Iran and KSA have impact on the foreign policy as well as domestic policy of Pakistan.

The security and stability of Pakistan should be seen in the context of inter-regional relations. Since security cannot be understood without relating the domestic and regional dynamics, the traditional understanding of military security is not enough. Other aspects of security such as economic, political and societal must also be considered. However, these factors of security are also binding with each other. Threats in one sector cause a spill over effect to the other sectors as well and therefore these security factors should be understood with an integrative approach. For example, economic decline in a country may lead to unequal distribution of wealth and result in societal instability and deterioration in state-society relations. This can be related to the case of Pakistan's economic conditions. For its economic prosperity, both KSA and Iran are important for Pakistan. KSA has remained crucial in providing economic assistance to Pakistan in the form of loans and fulfillment of energy needs. On the other hand, economic relations between Iran and Pakistan are not on required level and these relations yet to evolve especially under the pretext of China's Belt and Road Initiative (BRI). In political domain, states can face internal threats and external pressures.¹ Pakistan has faced some internal as well as external pressures in establishing close relations with KSA while not being able to balance these relations with Iran. At societal level, security is defined in the collective identities that are shaped by religious or ethnic identities and operate independently of the states. Threats at societal level may also occur due to internal and external environment. The internal threats may become external and vice versa. For example, the sectarian division within Pakistan sometimes becomes a security challenge and is exacerbated due to external influence caused by contention between KSA and Iran. The enmity between KSA and Iran has an influence on all the sectors of Pakistan's security; therefore it is paramount for Pakistan to adopt a pragmatic policy that would ensure a balanced approach towards both KSA and Iran.

Pakistan's KSA-Iran Policy in Pre-1979 Period: Indo-Centric Approach

Historically Iran-Arab relations have been dominated by "Arab and Ajam" differences but in post Islamic revolution in Iran

period, this historical ethnic divide has dominated by religiopolitical factors. In these scenarios relationship of other societies with Iran and Arab countries; have always been confronting critical challenges. Pakistan, right from its inception always tried to establish friendly relations with all the Muslim countries including Saudi Arabia and Iran.

Before the Islamic Revolution of Iran in 1979, Pakistan had an indo-centric approach in maintaining its foreign relations. Support for Pakistan's stance on Kashmir was yardstick for it to maintain relations with other countries. Iran has always supported the rights of Kashmiri people despite its economic relations with India.² After Pakistan got independence in 1947, it felt isolated from its eastern and western borders due to hostile attitudes from India and Afghanistan. It was in this context Iran extended a hand of friendship by signing Iran-Pakistan Friendship

Treaty in February 1950. This treaty granted good neighborly relations and also gave the status of most favored nation in trade. Iran has also helped Pakistan gain its entry into UN.³ During the Pahlavi period, Iran provided material and logistic support to Pakistan particularly during the 1965 war with India.⁴ Moreover, as Shah of Iran was improving his relations with Zahir Shah of

Afghanistan, he played a crucial role in restoring diplomatic relations between Pakistan and

Afghanistan in 1963 and urged Zahir Shah to soften his stance on Pakhtoonistan.⁵ In 1964, Pakistan, Iran and Turkey came together to form a regional alliance with the name of Regional Cooperation for Development (RCD).⁶ It was established to enhance cooperation and common interests in the field of economics, technology and culture.

Soon after its inception, Pakistan looked towards the Muslim World due to religious ties. However, Pak-KSA relations did not begin soon as Pakistan had an Indo-centric approach and it was seeking strong allies against the threat caused by India. KSA and other Middle Eastern countries had little strategic importance in this respect. To this end, Pakistan joined Western military alliances such as SEATO and CENTO and these were seen with suspicion by KSA as at that time anti-Western

¹ Bettina Koch, Yannis A. Stivachtis, *Regional Security in the Middle East Sectors, Variables and Issues*, (England: E-International Relations), 3, <https://www.e-ir.info/2019/05/11/introducing-regional-security-in-the-middle-east/>

² Amber Imtiaz, "Pakistan-Iran Relations: Economic and Political Dimensions", *Center for Iranian Studies in Ankara (IRAM)*, 2019: 5.

³ Shirin Tahir-Kheli, "Iran and Pakistan: Cooperation in An Area of Conflict", *Asian Survey* 17, No. 5 (May, 1977):475.

⁴ L.K. Choudhary, "Pakistan As A Factor In Indo-Iranian Relations", *Indian Political Science Association* 35, No. 4 (1974): 352.

⁵ Shirin, "Iran and Pakistan", 476..

⁶ Behçet Kemal Yesilbursa, "The Formation of RCD: Regional Cooperation for Development", *Middle Eastern Studies* 45, No. 4 (2009):637-660.

sentiments were brewing in the Arab world due to Arab-Israel conflict.⁷

Moreover, KSA's foreign policy had a tilt towards India. The crown prince Faisal visited India in May 1955 and King Saud himself visited India in Nov-Dec 1955.⁸ King applauded Prime minister Nehru's treatment with the Muslim minorities and claimed that Muslims in India were in the safe hands.⁹ However, relations between Pakistan and KSA began to improve in 1960's because US began to establish close relations with India in order to counter the rising China. KSA was rising as a potential oil industry and it was prudent for Pakistan to establish close economic ties with it. Moreover, KSA became aware of Pakistan's military capabilities and strategic importance especially in the wake of KSA's competition with Egypt during the Yemen Civil war of 1962.¹⁰ These converging relations were further bolstered by economic interests as

Pakistan's skilled and unskilled labor began to move to KSA. It began to support Pakistan's stance on Kashmir and also supported Pakistan during 1965 and 1971 war with India. This was because India had moved closer to US and Arab world was still having anti-Western sentiments.

Pakistan had maintained cordial relations with both Iran and KSA in pre-1979 era. This was because there was convergence of interest and rivalry between Iran and KSA was not so heated. After the Islamic Revolution of Iran in 1979, the foreign policy outlook of Pakistan was altered and it was largely influenced by West. The Indo-centric approach of Pakistan in maintaining its relations with different countries of the world was overshadowed by US influenced foreign policy. As a result, Pakistan had to compromise its relations with Iran and give preference to KSA.

Pakistan's KSA-Iran policy in Post 1979 period: Pakistan under US pressure

Relations between Iran and KSA deteriorated after the Iranian revolution especially after the Iran-Iraq war. KSA along with other allies was supporting Iraq against Iran in order to topple the newly emerged government in Iran.¹¹ Moreover, US had lost one of its allies in the form of Shah and therefore it needed a strong ally in the region and hence moved closer to KSA.¹² These events had a direct impact on Pakistan due to US pressure and therefore its relations with Iran became disturbed as it moved closer to KSA. Strategic and economic relations between Pakistan and KSA began to flourish. Pakistan's military capabilities were acknowledged by KSA and both countries developed close military and strategic ties. KSA also provided financial assistance so that Pakistan could develop its nuclear capability.¹³ These ties were bolstered especially after Soviet invasion of Afghanistan when both Pakistan and KSA along with US supported Afghan mujahedeen. It was during this time that the ideology of Wahhabism began to spread in Pakistan due to Saudi influence and support to Mujahedeen.¹⁴ KSA supported the establishment of various Madrasahs (Religious Seminaries) throughout the country and started to support affiliated religious groups.¹⁵

During this period; relations with Iran became cold but this does not mean that Pakistan had totally abandoned its relations with Iran. Besides establishing relations with KSA, Pakistan also tried to have good relations with Iran as it is situated in Pakistan's immediate neighborhood. Iran supported Pakistan's opposition to the Soviet invasion of Afghanistan. Moreover, Iran was also seeking opportunities to develop its nuclear capabilities in order to defend itself against threat posed by its enemies and therefore saw Pakistan as a good source of getting nuclear technology.¹⁶ However, relations began to deteriorate between Iran and Pakistan after the demise of Soviet Union.

⁷ S. M. Burke and Lawrence Ziring, *Pakistan's Foreign Policy: An Historical Analysis*, 2nd ed. (Karachi: Oxford University Press, 1990), 204.

⁸ Quamar Muddassir, "Indo-Saudi Relations: Emerging Strategic Dimensions", *King Fahd Center for Research and Islamic Studies*, (2018), 9.

⁹ Burke and Ziring, *Pakistan's Foreign Policy*, 205.

¹⁰ Rashid Ahmed Siddiqi, "Pakistan's Evolving Relations with Saudi Arabia: Emerging Dynamics and Challenges", *Policy Perspectives* 16, No. 1 (2019): 63.

¹¹ Abdullah Khurram and Marvin Weinbaum, "Pakistan and Saudi Arabia: Deference, Dependence, and Deterrence", *Middle East Journal* 68, No. 2 (Spring 2014): 211-228.

¹² George Joffe, "The Kingdom of Saudi Arabia, 1979-2009: Evolution of a Pivotal State, Saudi Arabia:

Victim or Hegemon", The Middle East Institute Washington, (2009), <http://www.mei.edu/publications/saudi-arabia-victim-or-hegemon>

¹³ Kimberly Van Dyke and Steve A. Yetiv, "Pakistan and Saudi Arabia: The Nuclear Nexus", *Journal of South Asian and Middle Eastern Studies* 34, No. 4 (Summer 2011): 68-84.

¹⁴ Jessica Stern, "Pakistan's Jihad Culture", *Foreign Affairs* 79, No. 6 (2000): 120.

¹⁵ Michael Freeman, Katherine Ellena and Amina Kator-Mubarez, *The Global Spread of Islamism and the Consequences for Terrorism* (Nebraska: University of Nebraska Press, 2021), 57-80.

¹⁶ Satyanarayan Pattanayak, *Iran's Relation with Pakistan: A Strategic Analysis* (New Delhi: United Service Institution of India, 2011), 34-52.

This was because it was in the vested interest of Pakistan that a friendly government in Afghanistan is established since prior Afghan governments were hostile towards it due to Durand line issue. Therefore, Pakistan was supporting the establishment of Taliban government in Afghanistan which was opposed by Iran due to different ideologies and their hostile attitude. Iran along with India supported Northern Alliance and Shiite groups. The relations between Iran and Pakistan saw another setback in August 1998 due to Taliban's massacre in the Mazar-i-Sharif where hundreds of Hazara Shiites were killed.¹⁷ During this incident; Taliban also attacked Iranian consulate in this city and killed 11 Iranian diplomats as well as an Iranian journalist.¹⁸ Pakistan along with KSA and UAE had also officially recognized Taliban government after their successive victories. Taliban was favored by Pakistan due to its anti-Indian stance. Iran restructured its foreign policy priorities and established cordial relations with India due to Pakistan's closeness with US, KSA and Taliban.

According to Walt alliances are formed in response to the common external threats but when new threats emerge there are chances that the alliance will deteriorate.¹⁹ Similar happened in case of alliance between Iran and Pakistan. For Iran, the threat was the Saudi sponsored Taliban regime while for Pakistan it was India. When Iran and Pakistan began to face different threats, the alliance between them deteriorated. However, there was one common interest between them in the form of nuclear cooperation. When India tested nuclear weapon on 11-13th May 1998, President Khatami condemned it but when Pakistan tested its nuclear weapon on 28th May 1998, foreign minister of Iran became the first foreign dignitary to visit Pakistan and congratulate on such a big achievement.²⁰ Iran at that time was facing threat from Arab rivals on one hand and US and Israel on the other. For this reason, acquiring nukes became paramount for Iran; and Pakistan could have been a viable source.

In the contemporary times, there are many factors that determine Pakistan's relations with both Iran and KSA. Iran and KSA are in opposition to each other on a number of issues like Yemen and Syrian crises and both countries are contesting each other for gaining regional hegemony. Pakistan has always tried to adopt a balanced approach towards Tehran and Riyadh as both are of vital importance to it. Moreover, Pakistan even some times played the role of mediator and facilitator in order to reduce the tensions between both the countries. This is because

Pakistan cannot give up its relations with either of these two states.

Importance of Iran for Pakistan: Challenges and Opportunities

Pakistan and Iran have tried to maintain cordial relations despite divergences and foreign influence. There were many differences such as on the issue of Afghanistan, Pakistan's relations with Arab countries, Iran's closeness to India, sectarianism and trans-border terrorism. However, today geo-economics is gaining relevance over geopolitics and thus both Iran and Pakistan find certain mutually beneficial economic interests. Iran is the fourth largest oil producing and second largest natural gas producing country of the world.²¹ Pakistan on the other hand is a resource scare country and would benefit if cooperation in energy sector could take place with Iran. Pakistan is already importing electricity at cheap rates from Iran and this collaboration can solve the load shedding crisis in Pakistan. Similarly long delayed, Iran-Pakistan (IP) Gas Pipeline Project is also vital for Pakistan to resolve its energy crises. However, due to US economic sanctions on Iran, Pakistan could not import electricity, Gas or other natural resources from Iran on large scale. Trade between Pakistan and Iran fell to \$432 million in 2010-11 from \$1.32 billion in 2008-09, after western powers imposed sanctions on Tehran. Since there are chances of revival of JCPOA and talks are going on in Vienna, if sanctions are lifted over Iran, then Pakistan would find a good opportunity to meet its energy needs from Iran. Pakistan and Iran aim to increase annual trade volumes between the two countries to \$5 billion by 2021, emerging regional and international developments can enable them to meet their goals. In changing regional scenarios, Pakistan's Gawadar and Iran's Chahbahar can become sister ports. In 2016, India and Iran signed a deal entailing \$8 billion investment in Chahbahar Port.²² It was speculated that Gawadar and Chahbahar port will compete with each other but tides have turned as Iran dropped India form Chahbahar project. China has replaced Indian investments in Iran especially after signing of Comprehensive Strategic Partnership cooperation agreement with Iran. Under the pretext of China's Belt and Road Initiative, Gawadar and Chahbahar ports can collaborate through mutual connection as they are around 70 kilometer away from each other. This is mutually beneficial for both Iran and Pakistan. Iran due to heavy US sanctions will find a breathing space for its economy

¹⁷ "Afghanistan: The Massacre In Mazar-I Sharif", Human Rights Watch 10, No. 7(C) (1998), <https://www.hrw.org/legacy/reports98/afghan/Afrep0r0.htm>

¹⁸ Human Rights Watch, *Afghanistan: The Massacre in Mazar-I Sharif*, November 1998 Vol. 10, No. 7 (C), <https://www.hrw.org/legacy/reports98/afghan/Afrep0r0.htm>

¹⁹ Stephen M. Walt, "Why alliances endure or collapse", *Survival* 39, No. 1(1997): 156-179.

²⁰ Shah, "Iran-Pakistan Relations", *Strategic Analysis*, 533.

²¹ "The World Factbook", CIA.gov, last updated on May 19, 2021, <https://www.cia.gov/the-worldfactbook/countries/iran/#energy>

²² Saber Salem, "New Opening to The Old Gateway: Chahbahar Seaport and The Economic and Strategic Benefits to The Region", *Jindal Journal of International Affairs* 4, No. 1 (NA): 120.

because of Chinese investments and Pakistan can become a geographical link between Iran and China. Trade between Iran and China via rail and road can be carried out through Pakistan. A sort of tripartite alliance among Iran, Pakistan and China can be established. Moreover, the pending IP gas pipeline project can be revived under the pretext of BRI and can be extended up to China as IPC. In past, Pakistan could not develop its side of pipeline, despite its completion on the Iranian side, due to US pressure. But now as PM Imran Khan also said that Pakistan's economic interests are aligned with China therefore, it is a good opportunity to start developing IP gas pipeline.²³

Apart from geo-economics, Iran is also geo-politically important for Pakistan. Situation in Afghan in post US withdrawal period is crucial for regional peace and many regional and international actors are realigning in this regard. For Iran, it is important that such arrangements in Afghanistan must be made which will not harm its interest. Pakistan is also playing an active role because it wants to secure its Western border and to counter Indian interference through Afghan border. In this context, it is pertinent that Iran and Pakistan cooperate to avoid any further instability in the region. These geo-economics and geopolitical interests between Iran and Pakistan compel them to establish mutual cordial relations. However, Iran cannot be an alternative to KSA; and Pakistan cannot undermine its relations with it.

Importance of KSA for Pakistan: Challenges and opportunities

Pakistan and KSA have friendly relations based on mutual interests. Pakistan is economically dependent on KSA while KSA seeks Pakistan as an important strategic partner. Pakistan is as important for KSA as vice versa. This interdependence can be determined by four main factors which are; ties under the emblem of Muslim Ummah, Pakistan's strategic importance for KSA, KSA's economic importance for Pakistan and human capital. The notion of Muslim Ummah has become highly debated issue. There are many differences among the so-called Muslim Ummah. With many Muslim countries like UAE, Bahrain, Morocco and Sudan recognizing Israel and Arab countries like KSA and UAE establishing very close ties with India while ignoring the Indian atrocities committed against Kashmiris, the concept of Muslim Ummah has deteriorated. Pakistan's strategic importance for KSA due to its military prowess and nuclear capabilities is another factor that determines the interdependence between KSA and Pakistan. In the wake of regional threats caused by Houthi rebels in Yemen,

Bashar Assad's government in Syria and conflict with Iran, KSA sees Pakistan important for its defense. However, Pakistan has always tried to maintain a neutral stance. Whether it is Yemen crisis or Syrian crisis, KSA and Iran support the opposing sides. Pakistan has therefore remained neutral to safeguard its relations with its immediate neighbor as well as crucial economic partner. Pakistan refused to become the part of KSA led military alliance against Houthi rebels in 2015.²⁴ However, it became the part of the Islamic Military Counter Terrorism Coalition (IMCTC) and retired Pakistan's Chief of Army Staff General Raheel Sharif is leading this alliance.²⁴ Iran claimed that this alliance was aimed against it and showed its discontent towards Pakistan for joining it. Iran became suspicious of Pakistan's intentions due to its closeness with KSA. This shows that Pakistan's neutral stance has some limitations.

Economic importance of KSA is vital for Pakistan. Pakistan is struggling with its economy, corruption and repayment of loans from IMF. In order to keep its economy running, Pakistan looked for assistance from KSA. KSA had also provided a financial package of \$6.2 billion in 2018 but demanded repayment of loan after foreign minister of Pakistan criticized the role of KSA led Organization of Islamic Cooperation (OIC) for not doing enough to resolve the Kashmir dispute. However, despite this brief period of discontent both countries have again mended the relations. In addition to loans and financial packages, KSA agreed to establish an oil refinery at Gawadar in 2018.²⁵ This would enable Pakistan to meet its energy needs. The largest numbers of expat Pakistani workers are living in KSA. Around 2.7 million Pakistanis are working in KSA. This includes both skilled and non-skilled labor force. According to the statistics of State bank of Pakistan almost \$4.4 billion remittances were sent from KSA back home in 2019-2020. This shows the importance of Pakistan Human Resource sustainability in KSA. All the above stated factors show the importance of KSA for Pakistan. However, Pakistan often finds itself influenced directly or indirectly by the conflict between Iran and KSA.

Skirmish between Iran and KSA

The contemporary conflict between Iran and KSA spans over four decades starting from the Islamic Revolution in Iran. Soon after the revolution in Iran, war with Iraq began. Iraq was supported by KSA, USA and West to dismantle the newly emerged government in Iran. The reason for KSA's opposition to Iran was on the basis of religious ideology since the Islamic revolution was based on Shiite ideology while KSA largely

²³ Ayaz Gul, "Pakistan attempts to balance ties with China, US," Voice of America, August 27, 2020, <https://www.voanews.com/south-central-asia/pakistan-attempts-balance-ties-china-us> ²⁴

Rashid, "Pakistan's Evolving Relations with Saudi Arabia", 69.

²⁴ Ghulam Qumber, Waseem Ishaque and Saqib Riaz, "Islamic Military Alliance (IMA) – and Pakistan", *Global Regional Review (GRR)* 2, No. 1 (2017): 135 – 151.

²⁵ Maira Hilal, "CPEC and Saudi Arabia: Economic Implication for China and Pakistan", *Scientific Journal of Research and Reviews* 2, No. 2 (2019).

follows the Wahhabi sect. Iran's notion of spreading the revolution beyond its borders and anti-imperialists movement was contested by KSA's pride in its traditional supremacy as the guardian of two holy cities-Makah and Medina. Therefore, both countries began to increase their political and religious clout in the region. The conflict continued until it gave rise to a new cold war in the Middle East. The ongoing Yemen crisis has shown the role of Iran and KSA in exacerbating the issue. KSA blames Iran for supporting the Houthi rebels in Yemen while KSA itself supports the exiled Yemeni government. KSA had also imposed blockade on Yemen due to which humanitarian aid could not have reached to it. Similarly in Syria, Iran supports the government of Bashar al Assad while KSA supports the Salafi-Wahhabi rebels. Their rivalry in Syria is also on the basis of ideological and geopolitical conflict. Syria is crucial as it provides a bridge for Iran to provide logistic support to Hezbollah and Hamas against Zionist regime of Israel. When KSA imposed a blockade on Qatar in 2017, the latter had moved closer to Iran.²⁶ KSA's condition for Qatar in order to lift the blockade was severing its ties with Iran. A similar pattern of confrontation can be observed in other countries of the region such as Iraq and Bahrain. Instead of going into direct confrontation, both countries have used their proxies and partners for expansion of their ideologies. The impact of this conflict was also faced by Pakistan. The already existing sectarian cleavage in Pakistan is further widened by Iran-KSA's attempt to increase their ideological influence. Similarly, other regional issues also impact the foreign policy of Pakistan. Due to US led sanctions on Iran, Pakistan could not establish good economic and energy ties with it despite huge potential. In 2015, KSA asked for Pakistan's military assistance for Yemen intervention; however, Pakistan chose to remain neutral in order to not upset its neighboring Iran. In Afghanistan, since Pakistan and KSA supported the Taliban government and Iran opposed it, the Pak-Iran relations got affected due to this. In post US withdrawal scenario, Taliban are busy in realignment with regional players and they have established working relations with Iran as well. Such developments can bring Islamabad, Tehran and Riyadh closer to each other but still there is a long way to go. There is no doubt that rivalry between Iran and KSA has a direct impact on Pakistan due to its geopolitical and geostrategic importance but national interest should be kept in highest regards.

KSA-Iran Skirmish: Challenges and Options for Pakistan

Considering ongoing complex ebb-and-flow in KSA-Iran affairs; it is imperative for Pakistan to find out calculated options to protect its national interests. Particularly importance of both KSA and Iran can't be ignored by Islamabad and any one-sidedness in this regard could have serious consequences for domestic, regional and international policies of Pakistan.

Following are some key options for Pakistan to deal with KSA-Iran dilemma.

1) Balancing between KSA and Iran: Pragmatic Policy

For almost four decades, Pakistan has tried with both success and failures to establish neutrality between KSA and Iran and keep it from entangling into the rivalry. The successive governments in Pakistan have tried not to be perceived either pro-Saudi or anti-Iran rather neutral. However, time and again events turned out to be a challenge to Pakistan's balanced approach. Pakistan's Afghan policy in the aftermath of Soviet withdrawal was in line with the KSA's interests as both Pakistan and KSA were supporting the Taliban government. Similarly, when Pakistan joined the Saudi led Islamic Military Counter Terrorism Coalition (IMCTC), it was seen as a tilt towards KSA. This alliance was perceived to be of Sunni majority as neither Iran nor Iraq were part of it.

Another event that shows Pakistan's tilt towards KSA was refraining from attending the Kuala Lumpur Summit in 2019. KSA's rivals such as Iran, Turkey and Qatar took part in this summit and Pakistan was also assured to take part. KSA perceived this summit as formation of another block against it and therefore, pressurized Pakistan to abstain from it. Pakistan's refrainment from this important summit considered as *Diplomatic Subservience* to Saudi Arabia.²⁷ In the wake of all these events, Iran became suspicious of Pakistan's intentions. In addition to this, PakIran relations could not prosper due to US sanctions. After signing of the Joint Comprehensive Plan of Action (JCPOA) in 2015, economic ties between Iran and Pakistan flourished. However, US President Donald Trump's decision to unilaterally withdraw from the deal destabilized the relations between Iran and Pakistan. Since President Joe Biden got elected, negotiations are taking place in order to revive the nuclear deal and lift sanctions on Iran. If the talks become successful, Pakistan can renew its economic relations with Iran.

Economics is an arena in which there is a non-zero sum game which means that all the parties can benefit. Since a \$400 billion deal has been signed between Iran and China; therefore, under the pretext of BRI, Pakistan can establish good trade relations with Iran. Pakistan might face some pressure from KSA and US but it is for Pakistan to decide what is important for its national interests. Moreover, if relations with Iran are purely of economic nature and through China's BRI, then KSA might not have a lot of reservation because China also have huge investment in

²⁶ Jane Kinninmont, "The Gulf Divided: The Impact of the Qatar Crisis", *Chatham House*, May 2019, 3.

²⁷ Umair Jamal, "*The Kuala Lumpur Summit 2019 Shows Pakistan's Diplomatic Subservience to Saudi*

KSA²⁸ and there have been prospects of KSA becoming part of Pakistan's CPEC project which is the flagship project of BRI. China's entry into the region and evolving economic relations can play pivotal role in reducing the tensions between Iran and KSA. Through emphasizing the importance of geo-economics, Pakistan can maintain a balanced approach between Iran and KSA.

2) Prioritizing National Interest: Moving From Geopolitics to Geo-Economics

In the evolving regional dynamics, geo-economics is gaining prominence over geo-politics. Countries' struggling domestic economic situations as well as competition with other countries have given vital importance of economic relations among the states in South Asia and Middle East. With the entry of China in the region and its investments, Pakistan finds an opportunity to increase its economic relations with other countries. In past, Pakistan has faced external pressures from US in the light of latter's confrontation with Iran. Now Pakistan should give importance to its own national interest as US has always abandoned the needs of Pakistan after fulfilling its own interests. As US is moving closer to India and KSA is not ready to give up its \$22.03 billion (April-November 2020) bilateral trade with India, Pakistan should also re-evaluate its priorities.²⁹ Other Persian Gulf countries such as UAE have been awarding Modi with highest civilian award amid brutal crackdown on innocent Kashmiris. Pakistan on the other hand due to pressure from Arab countries and US, gave up IP gas pipeline project with Iran. The pipeline project is completed on the Iranian side but remains unconstructed on the Pakistan's side. Iran had also offered loan to Pakistan for the construction of this pipeline which was to be returned within next 20 years. Now as Vienna talks are being held to resolve the concerns related to Iranian nuclear program and lifting of sanctions, Pakistan can establish economic ties with Iran after lifting of the sanctions. This can be further facilitated by China's entry into the arena. Both Iran and Pakistan can find a strong alternative to US in the form of China. The Chahbahar and Gawadar Port which are only 70km apart can become sister ports and collaborate instead of compete under the emblem of BRI.³⁰ Pakistan can also take KSA into its confidence as KSA showed interest in taking part in CPEC. In

facilitating cooperation between Iran and KSA through the propagation of geo-economic ventures, Pakistan can reduce the tensions between both the countries. Economic relations are a non-zero-sum game and a useful tool in deescalating the regional conflicts and peace between Iran and KSA will enable Pakistan to achieve its desired economic and foreign policy goals.

3) Mediating Role: Prospects for de-escalating KSA-Iran Conflict

Pakistan has always offered to mediate between Iran and KSA to de-escalate the tension.

Pakistan's mediatory role accounts for two factors. First one is Iran-KSA rivalry and other is Iran-US rivalry. The tensions were escalated after US drone strike assassinated Qasem Soleimani top Iranian commander of Quds Force (03 January 2020). Iran also retaliated by attacking US bases in Iraq. As the tensions were mounting Pakistan had offered to mediate between US and Iran.³² Moreover, Prime Minister Imran Khan has always voiced his concern for the regional rivalry between Iran and KSA and its impact on Pakistan's domestic situation.³³ Pakistan is divided on the sectarian lines and this sectarian divide is further widened due to foreign influences as both Iran and KSA try to expand their ideological clout. Therefore, for Pakistan de-escalation in conflict between the arch rivals is paramount and thus Pakistan has offered to mediate and facilitate the establishment of peace in the region. Since Iran and KSA had cutoff their diplomatic ties in 2016; therefore, there is lack of communication between them.³¹ This miscommunication creates an environment of mistrust and misperception which can lead to huge catastrophe. Through mediation, Pakistan can facilitate talks between both the countries and resolution of the conflict through diplomatic means. Pakistan is one of those countries which has vested interest with both countries and also has close relations. No other country can play this role as effectively as Pakistan.

4) KSA-Iran Conflict: Management of Pakistan's Domestic Social Fabric and Religious Architecture

²⁸ Jonathan Fulton, Strangers to Strategic Partners: Thirty Years of Sino-Saudi Relations, Atlantic Council, August 2020,

https://www.atlanticcouncil.org/wp-content/uploads/2020/08/Sino-SaudiRelations_WEB.pdf

²⁹ "Strategic partnership is a new high in Saudi-India ties", Arab News, accessed on June 4, 2021,

<https://www.arabnews.com/node/1618176/saudi-arabia>

³⁰ "Chahbahar Port vs Gawadar Port – Can Indian Chahbahar Port Compete Against Chinese Funded Gawadar Port?", The Eurasian Times, accessed on June 4, 2021, <https://eurasianimes.com/chahbahar-port-vs-gwadar-port-can-indian-chahbahar-port-compete->

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[against-chinese-funded-gwadar-port/](#) ³² Sabena Siddiqui, Pakistan seeks to mitigate US-Iran tensions, Al-Monitor, January 10, 2020, <https://www.al-monitor.com/originals/2020/01/pakistan-seek-mitigate-us-iran-aggression.html> ³³ Saad Hasan, Why is Pakistan keen on mediating between Iran and Saudi Arabia?, 15 JAN 2020, <https://www.trtworld.com/middle-east/why-is-pakistan-keen-on-mediating-between-iran-and-saudi-arabia-32961>

³¹ Ankit Panda, "Pakistan's Approach to Navigating the Saudi-Iranian Split", *United States Institute of Peace (USIP)*, Special Report no. 439 (Feb 2019): 16.

Pakistan's society is divided on sectarian lines. The geopolitical rivalry between Iran and KSA has an impact on the social fabric and religious architecture of Pakistan. Any event that happens between Iran and KSA receives a response from different sectarian groups in Pakistan. Wahhabism in Pakistan flourished especially during the period of General Zia-ul-Haq. Zia's Islamization and Afghan Jihad gave rise to the sectarian division.³² Wahhabi groups and some hardliner Sunni groups also turn against the Shiite population in Pakistan.

Moreover, Shiite population is also reactive towards the events happening in Middle East. In 2016, when a prominent Shiite cleric was executed by Saudi government, there were protests in Pakistan.³³ Similarly, when General Qasem Soleimani was assassinated by US drone strike, similar protests erupted by pro-Iran Factions in Pakistan.³⁴ The Wahhabi groups in Pakistan also support the Saudi stance on certain matters. For example in 2015, a rally by a pro-Saudi party known as Jamiat Ulema-e-Islam supported Saudi intervention in Yemen.³⁵ Pakistan therefore, has to maintain neutrality in order to maintain peace at domestic level. Moreover Pakistan's mediatory role between KSA and Iran can protect and manage domestic social fabric and religious architecture of Pakistan in better way.

Topical Developments in KSA-Iran Relationships: Baghdad

Talks

KSA and Iran severed their ties in 2016 after the execution of Shiite cleric Sheikh Nimr al Nimr by Saudi government.³⁶ Consequently, deterioration in Tehran-Riyadh relations increased massively on regional level. Different attempts took place to reduce the tension between the two but in vain. Ultimately an attempt has initiated by Iraq, and Baghdad talks were held in order to reconcile the relations between Iran and KSA. Such developments have taken place due to several reasons. Firstly, US president Joe Biden wants to revive the tattered JCPOA after former US president Trump had unilaterally withdrawn. Therefore, Re-opening of diplomatic channels in the region will be crucial for US. In the past, KSA and Israel were against the US efforts to establish diplomatic links with Iran and signing of a nuclear deal. They demanded tightening of noose around Iran's neck but such steps could not deter Iran. Therefore, US must realize that the policy of "maximum pressure" initiated by Trump's administration will

not appease Iran's nuclear ambitions rather diplomatic solutions should be brought on the table. Secondly, Yemen crisis has intensified and Houthi rebels have launched serious attacks against Saudi oil infrastructure. It has been reported that Houthis are now advancing towards north of Yemen to take control of Marib which is considered as the last stronghold of Saudi backed Yemeni groups and has rich oil resources.³⁷ Thirdly, Iran has also found it prudent to de-escalate the intensity of conflict with KSA in order to make the renewed talks on JCPOA a success and improve its economic conditions by convincing US to lift the sanctions.

These talks took place in Baghdad, the capital of Iraq, which is an instable country itself. It can be seen as a lacking on part of Pakistan. Islamabad should have played an active and initiative role in reconciling both the countries as Pakistan has time and again offered to mediate between

Iran and KSA but lost this crucial opportunity which could have set its future course of action.

Despite announcement for appointing a focal person for mediatory role between KSA and Iran, Government even failed in such appointment.^{38,39} Now by actively supporting Baghdad Talks, Pakistan can regain diplomatic importance and can be benefitted from post-talk scenario to protect its bilateral and regional interests.

Conclusion

To conclude, Pakistan should practically uphold its neutrality not just rhetorically. Similarly, Pakistan should maintain equal and balanced relations with both countries. Iran is not only an important neighbor but it can also be a reliable economic partner. KSA and Pakistan have enjoyed historical relations and should be strengthened. The problem that Pakistan faces is because of hostility between Iran and KSA which impacts the domestic and foreign policy of Pakistan negatively. Therefore, Pakistan can play a responsible role in de-escalating the conflict between these two countries. Moreover, propagation of economic ventures in the region will also help reduce the tensions. Pakistan along with China can play a substantial role. De-escalation in the tensions will also reduce sectarian conflict within Pakistan. As the regional and international dynamics are changing, Pakistan must re-evaluate its foreign policy. Regionally China has established economic and strategic toes with Iran which can help Pakistan improve its relations with

³² Jamal Shah, "Zia-Ul-Haque and the Proliferation of Religion in Pakistan", International Journal of Business and Social Science, Vol. 3 No. 21; November 2012, http://www.ijbssnet.com/journals/Vol_3_No_21_November_2_012/33.pdf

³³ Ankit, "Special report: Pakistan's Approach to Navigating the Saudi-Iranian Split", 15.

³⁴ Ayaz Gul, "Pakistan Stress Neutrality, Big Rally Protests Killing of Soleimani", Voice of America, January 05, 2020, <https://www.voanews.com/middle-east/voa-news-iran/pakistan-stress-neutrality-bigrally-protests-killing-soleimani>

³⁵ Ankit, "Pakistan's Approach", 3.

³⁶ Ankit, "Special report: Pakistan's Approach to Navigating the Saudi-Iranian Split", 16.

³⁷ Jeremy M. Sharp, "Yemen: Civil War and Regional Intervention", *Congressional Research Service*, March 12, 2021, 4.

³⁸ Muhammad Saleh Zaafir, "Focal persons to be appointed to defuse Saudi-Iran tension", *The News*, January 20,

³⁹, <https://www.thenews.com.pk/print/92462-Focal-persons-to-be-appointed-to-defuse-Saudi-Iran-tension>

Iran. Moreover, as nuclear talks are going on and there are prospects of lifting of sanctions over Iran, Pakistan can increase its trade relations with Iran. On the other hand it should maintain its active role in reconciling Iran and KSA which will help benefit Pakistan to remain neutral and focus on economic goals.

Way Forward and Policy Recommendation for Pakistan

Since 2018 and particularly in 2019, Pakistan's foreign policy has witnessed a shift from geopolitics to geo-economics. Previously, Pakistan remained entangled in security affairs while economy remained subdued by terrorism concerns. The security-centric foreign policy of Pakistan was mainly because of "two front" war – India and Afghanistan – the latter of which caused the internal instability within Pakistan. It also prompted the Saudi funding and the establishment of Madrasahs across the border region. Yet, since the situation in Afghanistan is moving towards another transformation and Pakistan's economic situation is vulnerable, the need for a renewed foreign policy is inevitable. The foremost attempt in this regard is the China Pakistan Economic Corridor (CPEC) which promises to bring Chinese investment in Pakistan.

Pakistan has been trying to attract other states in this mega project. So far, Russia, the Persian Gulf Monarchies, Indonesia, Malaysia and Iran are among the states that have shown their interests. Along with the CPEC, China has also signed the "Strategic Cooperation Agreement" with Iran which pledges to invest \$400 billion in various sectors of Iran. Due to this enormous amount, Iran has already dropped India from its "Chahbahar Railway Project", citing issues of delayed payments. The Chinese factor plays a crucial role in bringing both Pakistan and Iran together through linking the Gawadar Port to Chahbahar Port. This would also allow both the countries to reinstate working upon the postponed "Iran Pakistan Gas Pipeline". It is noteworthy that the US influence in the region has been in decline while the US has also been

renegotiating the deal with Iran. Under these circumstances, the prospects of Pak-Iran economic cooperation is all time high.

Regarding the Saudi Arabia, its relations with Pakistan has been in a downturn since Pakistan's refusal to join Saudi Coalition on Yemen War. Despite experiencing the coldness in their mutual relations, Pakistan willingly joined the military coalition of 33 Muslim Countries in 2017 and in 2019, the Saudi Crown Prince pledged to invest \$20 billion in Pakistan, including the establishment of an oil refinery in Gawadar.⁴⁰ The political relations further descended after the objections made by Pakistan's foreign minister, Shah Mahmood Qureshi, over the silence of Persian Gulf Monarchies on Indian atrocities in Kashmir. It is imperative to understand that the economic interests of Saudi Arabia are linked with India more than that of Pakistan. Currently, Saudi Arabia is the 3rd largest oil exporter of India after Iraq and the US. Moreover, in 2018 alone, India received over \$80 billion in foreign remittances from Saudi Arabia which depicted the prevalence of huge Indian workforce inside Saudi Arabia.⁴¹ Under these circumstances, Pakistan must realize that over-dependency on Saudi Arabia would be catastrophic in the longer run. Nevertheless, since Pakistan is at the central stage after the CPEC and both Saudi Arabia and Iran have shown willingness to participate, Pakistan must focus on developing commercial ties with both the states and must disengage itself from the political proceedings of the neighboring region i.e. the Middle East. The recent secret talks between Iran and Saudi Arabia held in Iraq on April-May 2021 also depicted that both the states are eager to resolve their issues within their regional boundaries.⁴² Hence, Pakistan's interests are entrenched within its own region and neighboring states instead of in the other regions which would bring the chaotic rippling effects into Pakistan.

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⁴⁰ Maira, "CPEC and Saudi Arabia".

⁴¹ "India remains top remittance recipient in 2018", Arab News, accessed on June 5, 2021,

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⁴² "Saudi Iranian Talks: Background and Prospects", *Arab Center for Research and Policy Studies*, May 5, 2021, 1.