



Challenges and Responses of Contemporary Pakistan-Iran Relations

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Abstract:

Iran and Pakistan are neighboring Muslim countries. Since the independence of Pakistan from British India in 1947, it has kept close ties with Iran, based on shared values and a common heritage. Both the countries went through ups and downs in their history but still maintained a peaceful relation. To maintain a good momentum of relations, they adopted policies to enhance their friendship. This paper focuses on different pushing and pulling factors between their relations, at the local, regional, and global levels, while analyzing their changing perspectives towards each other over time on different common issues. Those factors include the politics circles around delaying the Iran-Pakistan gas pipeline, the Iran nuclear issue, the U.S. intervention in the wake of its withdrawal from the landmark Joint Comprehensive Plan of Action (JCPOA), the Afghanistan situation and implications for both Iran and Pakistan, Saudi Arabian influence especially in the foreign policy formulation of Pakistan, and the recent Indian rapprochement towards Iran. This paper is based on secondary data.

Keywords: Pakistan-Iran Relations, Iran-Pakistan gas pipeline, regional politics, international factors, international political economy

INTRODUCTION

Territories and boundaries of nations keep on changing, and this has been happening throughout history (Andreas, 2003). This has happened in the Indian subcontinent as well after being under British control for more than 100 years. When the British left the region in 1947, the subcontinent was divided into two nations, based on separate religious ideologies: India and Pakistan (Khan & Jaleel, 2023). But before the Indo-Pak partition, Iran was a neighbor with British India. Iran, for most part of its history since 1900s, was under the influence of British which made it a peaceful neighbor with the British controlled India (Gozalova, 2023). At the end of World War II,

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international political landscape changed, putting Pakistan and Iran into tests. On one hand, India and Pakistan were in a perpetual conflict—including fighting four wars—since the British left the subcontinent. But on the other, India maintained peaceful friendlier relations with Iran (Ahmed & Abbas, 2023).

During the Cold War era, the U.S.S.R. and U.S. were fighting for their dominance across the globe. Iran was undergoing a threat from the then U.S.S.R.'s growing influence in its surroundings and the occupation of Azerbaijan. Iran knew the power of the U.S. against the U.S.S.R.'s increasing influence in its neighboring region, so it came forward and linked with the U.S. and Pakistan in the form of the Baghdad Pact, which was also known as the CENTO (Central Treaty Organization), undertaken for the sake of security in the region. But before that, on May 19, 1954, Pakistan and the US signed a Mutual Defense Assistance Agreement, which later transformed into the South Asia Treaty Organization (SEATO) in September 1954. The deal enabled Pakistan to buy U.S. arms. The purpose of which was to contain or stop the growing influence of the Soviet Union, but Pakistan was instead arming itself vis-a-vis India (Alam 2004, 528).

To evaluate the past, and predict future, this paper sheds light on history and tries to take lessons for the future, particularly in the form of cooperation between these two brother Islamic countries. In the history section of the paper Cold War era, the Russian invasion in Afghanistan, the Taliban era in Afghanistan, the role of the United States and a few others have been discussed.

THE THEORETICAL FOUNDATION: NEO-FUNCTIONALISM

The paper pursued Neo-functionalism as its theoretical foundation. The theory was first coined by Ernest B Haas in 1958 after he concluded basic points from his thesis on the European coal and Steel Community. The theory explains why regional integration is more important than globalization as the form of governance. It is argued that the theory, which was pursued after considering the European integration case, will have foundation for Pakistan and Iran cooperation as well. The key theoretical argument of the theory is how nations increase economic interdependence, dispute resolution and how international regimes play its role, and the supranational market rules replace national regulatory regimes.

Pakistan and Iran have much in common which could be utilized for their mutual progress and prosperity. As has been argued in the later part of the paper, Pakistan is facing growing population problem which needs emerging energy requirements. On the other hand, Iran has surplus natural gas reservoirs which could fulfill Pakistan's energy needs for centuries. Since both countries are sharing territorial boundaries, this theoretical foundation could be the best fit in this research.

PAKISTAN-IRAN RELATIONS DURING THE COLD WAR ERA

In the 1950's, Iran and Pakistan both were facing similar security situations around their surroundings. Iran was the first country to recognize Pakistan after its independence in 1947. They had no territorial disputes with each other while both mutually agreed upon their common border demarcation (Qaisar & Khan 2017, 248). They came closer with each other due to the absence of overt or covert conflict and the presence of similar religious ideologies. The above factors helped to converge internal and external policies interests for more than 20 years. Although during General Zia ul Haq's era (1978-88), the rise of Shia-Sunni sectarian clashes in Pakistan (supported by Saudi

Arabia, an antagonist of Iran) and later on the emergence of Taliban government in Afghanistan diverted Iran and Pakistan from each other to some extent.

Iran and Pakistan were both facing problems with their neighbors. Pakistan had turbulent relations with India and Afghanistan while Iran was surrounded by Soviet's aggression on one side, and tumultuous Iraq in the wake of the 1958 coup in Baghdad on the other. The later situation further exacerbated the threats for Iran. Based on these common grounds, Pakistan and Iran signed a friendship treaty in February 1950 to further enhance their ties. They endorsed their foreign policy issues including Pakistan backing Iran's stance to nationalize British Oil Companies. It was a moment mainly initiated in legislation under the leadership of the future Iranian Prime Minister Mohammad Mossadeq under which Anglo-Persian oil company was nationalized. This decision led to the strengthening of sovereignty and the establishment of a democratic government. However, in 1953 the British Secret Service and the United States Central Intelligence Agency orchestrated a successful coup against Mossadeq followed by his imprisonment and death in 1967 (Kamrava, 2011). King Reza Shah then ruled until the 1979 Iranian Islamic Revolution. It is evident from history— from the 1953 nationalization until the Islamic Revolution—that the Iranians are responsive to foreign nations meddling in their internal matters.

In 1956 while under the rule of King Reza Shah, Iran and Pakistan signed an agreement to further tighten their cultural ties. Shared territorial disputes were resolved in the same year by mutual consent under a border demarcation agreement. Similarly, Iran supported Pakistan's narrative on the Kashmir issue with India, both within and outside of United Nations discussions and activities. For example, Iran endorsed the UN's resolution calling for a plebiscite in Kashmir. Iran stated 'ninety percent of the people of Kashmir are Muslims and have ties of common culture, tradition, and religion with Iran. As such, the Muslim world and in particular the people of Iran cannot remain indifferent to their lot' (Tahir-Kheli 1977, 475). In 1963, Iran's Shah helped Pakistan resolve its regional disputes, specifically with Afghanistan. The Shah used his good relations with King Zahir Shah of Afghanistan to persuade the latter to withdraw his support for the Pashtonistan movement inside Pakistan. Relations reinstated between Pakistan and Afghanistan after a two year pause.

In 1958, a coup d'état took place in Iraq and this had deep implications for Iran. It pushed the region into a proxy war between the Cold War's rivals, the U.S.S.R. and the U.S. A new Iraqi republic was set up after it overthrew the British-established monarchy of Hashimite that was found by King Faisal I in 1921. King Faisal II was killed in this uprising which laid the future ideological foundation for Iraq. Iran considered the new pro-U.S.S.R. government in Iraq a threat. As a consequence, Iran, along with Pakistan, joined the U.S. bloc (CENTO). The threats of the U.S.S.R. to both Iran and Pakistan reached its peak in the wake of U-2 incident in 1960.

Slight progress was made in 1963 when 'bilateralism' took hold, which meant that a third country has nothing to do with bilateral relations between its enemy and its friend. So, Iran-India rapprochement was not objectionable for Pakistan and similarly, Iran-Pakistan rapprochement was not objectionable for India. Iran provided military support to Pakistan in its wars with India in both 1965 and 1971 wars (Kumar 2008, 773). Pakistan reciprocated when Iran went to war with Iraq in 1990 (Qaisar & Khan 2017, 250). On the other hand, Soviet aggression in the region softened. The Soviets provided help, mostly in the form of aid and funds in undertaking different projects in Iran and Pakistan (Tahir-Kheli 1976, 88-92). A Moscow statement issued at this time,

reflected the new set of relations, 'Although Iran still maintains its ties with the west and the consortium still controls the lion's share of the country's oil resources, and although the system of military and political agreements concluded in the post-war years still exists, the period of one-sided orientation has ended and the first results are apparent.' (Tahir-Kheli 1977, 477).

In the 1970s, the region of South and West Asia underwent strategic and political changes. Iran tried to increase its influence in the Middle East, especially in the continental shelf of the Persian Gulf, mainly for oil exploration rights. Meanwhile, Pakistan was going through internal and external strife. They both were struggling to enhance their security.

The withdrawal of British forces left deep scars on the prevailing peace and stability of the Middle East. The British troops' withdrawal from Egypt's East of Suez in 1968 brought political shifts in the region partly from the perspective of Iran before British troops' withdrawal was completed from Egypt in 1971. For example, the United Arab Emirates (UAE) was formed and Iran's claim on Bahrain and its occupation of three islands in Persian Gulf were major events that triggered restlessness in the Middle East. The power vacuum created by Britain's withdrawal was filled by the U.S. Consequently, this was the point when Iran slipped away from the U.S. camp.

The 1970s also witnessed further diversification in which nations increased their ties with each other outside their respective regions. Turkey joined Iran and Pakistan in the newly formed Regional Cooperation for Development (RCD) in 1964, which aimed at further enhancing cooperation in cultural, economic and technical fields. Iran, having already been under close ties with Pakistan, also established its relations with India for the fact that the India had an official commitment with the Arab countries under Nehru era, particularly Egypt. India could help Iran offsetting the influence of radical Arab nations which were pursuing anti-Shah and anti-monarchy policies exposing Iran to new pressures.

The 1980s completely changed the geopolitical picture of South and West Asia, pushing the region into a long conflict, the traces of which are still felt. The turning points of Iran-Pakistan relations included the U.S. hostage crisis in Iran and the invasion of Afghanistan by the Soviet Union, both starting in 1979. However, Iran emerged as a status quo state while Pakistan became a frontline ally of the West against the Soviet intervention in Afghanistan. The U.S. considered the Soviet invasion as an increasing sphere of influence (Hammond 1984, 138). The real motives of the Soviets, however, were neither Pakistan nor Afghanistan, but to get access to Saudi Arabia (Hilali, 2003). Hilali further states 'through Afghanistan, along Soviet-built highways, the Russians aim to achieve the traditional ambition - common to Tsars and commissars - of ports on the Indian Ocean in which to base their ever-expanding blue-water navy. But beyond this, the real objective was the control of the West's largest reservoir of oil in the Gulf. The ultimate Soviet goal here was neither Afghanistan nor Iran, and still, less Pakistan, although all these countries - if West allows it - will be a stepping stone. The goal was Saudi Arabia.' (p. 127).

After the coup d'état of the Mosaddegh government in 1953, Iran was a close ally with the U.S. until the Islamic Revolution in 1979 and the hostage crisis in the U.S. Embassy in Tehran. With this revolution, their internal and external policies dramatically changed from a pro-western to almost anti-western. In turn, Washington's policy toward Iran changed considerably, deeming the latter a potential threat to its interests in Gulf region.

Islamic Revolution in Iran, Changes in Afghanistan, and the Aftermaths

Pakistan was the first to recognize new Islamic government in Iran. In 1984, Gen Zia rejected U.S. Vice President George H.W. Bush's plan to train Afghan Mujahideen in Balochistan to destabilize Iran (Hussain 1993, 216). Despite the U.S. and Saudi pressures not to have close ties with Iran, Pakistan pursued good strategic relations with Iran, evident by the official visit to Pakistan by President Khamenei in 1986. During the same period, there were 20,000 Pakistani servicemen in Saudi Arabia, which they claimed to be for the protection of the holy sites (Jaffrelot, 2016). However, Iran-Pakistan relations entered a new phase in which their interests diverted from each other after the Soviet withdrawal from Afghanistan in 1989. The prominent role of Saudis in training and supporting Afghan Mujahideen had deteriorated Iran-Pakistan relations to a larger extent (Alam 2004, 532).

The legacy of General Zia's policy and the Saudi influence continued throughout 1990s when Afghanistan was under the control of Taliban. The Taliban government was Sunni-dominated and was opposed by the Iranian (Shia) sectarian ideology. Eleven Iranian officials were killed near Mazar-i-Sharif in a siege between the Taliban and the Northern Alliance, which made the situation worse due to the accusations that Pakistan was controlling the Taliban in late 1990s (Riedel 2010, 66).

Iran and Pakistan continued good relations and it was further enhanced in 1999 when bilateral free trade agreements were signed between them. But the continued headache for Iran was the continued presence of the Taliban in Afghanistan. The 9/11 incident also changed Iran's situation when the Taliban government was overthrown by the U.S. While the replacement of the Taliban with U.S. forces was acceptable for Iran initially, the increasing American influence felt threatening to Iran's interests in Afghanistan. Further, Pakistan emerged as a dubious state in the eyes of both Iran and the U.S. because of the former's support of the Taliban remnants—now insurgents—in Afghanistan.

In 2014, the U.S. started a withdrawal from Afghanistan, and the newly established Afghan government seems unable to control the security situation. Recent evidence includes the Taliban's show of might and power, while storming the city of Ghazni, 100 miles away from Kabul. They overran government installations, burned police station and seized the central prison (Lyll, 2018). Keeping this in view, the increasing role of Taliban insurgents cannot be ignored. Under such circumstances, the situation for Iran is much more like the one in 1990s in which the influence of Taliban was a constant threat. Iran thinks that Pakistan can control these insurgents. Similarly, the U.S. and West is accusing Pakistan of supporting, harboring, and training the Taliban against U.S. as well as other forces in Afghanistan presenting example of the killing of Osama Bin Laden episode ("Death of Osama," 2018).

The Peace Gas Pipeline

Nations having gas and petroleum reservoirs will exploit these natural resources to expand both; their export capability and their economy. Qatar and Russia are the best examples in this regard having abundant natural resources and using it as a stratonomics (strategic and economic) option. Using this plan, they trade well with the markets in both; East and West. Iran has also the potential to become a gas supplier in these markets, but is barred from getting the full benefits of its

reservoirs in an effective and efficient way due to numerous factors including: the lack of updated technology to explore their resources, geopolitical issues especially with the U.S., lack of proper leadership policies, increasing energy costs, the strategic use of the Liquid Natural Gas (LNG), and international sanctions. The last factor prevents Iran from trading gas with its energy-hungry neighbors like Pakistan, India, and China.



Figure 1: Proposed Iran-Pakistan Gas Pipeline

Source: <https://mettisglobal.news/gas-pipeline-critical-to-fulfill-pakistans-energy-needs-iran-envoy/>

Iran, Pakistan, and India signed an agreement three decades ago under which Iran was to transport gas through a 2,775-kilometer-long pipeline at cheaper prices to energy-starved India and Pakistan. This pipeline was initially called the India-Pakistan-Iran (IPI) gas pipeline. Keeping in mind its high prospects to bring peace and prosperity to the region, it was also called the Peace Pipeline (Huq, 2010). Pakistan, Iran, and India initially agreed to pursue this project. India, due to financial and geostrategic reasons, withdrew from it in 2009, leaving it to be named IP or Iran-Pakistan gas pipeline (Ahmad 2014, 264). Although the work on the pipeline was eventually completed on Iranian side, there was no progress on the Pakistan side. Pakistan has made several excuses, with the price mechanism being the primary one. But according to Pakistani legislators, it is due to U.S. pressure (Shinwari, 2018). The recently renewed U.S. sanctions on Iran will probably further delay progress for this project since the U.S. only granted permission to a few nations to continue business with Iran, and Pakistan is not included.

The idea of this gas pipeline was first coined by a Pakistani engineer in his article, the Persian Pipeline in mid-1950s (Shahid, 2011). Due to political and demographic factors and a lack of urgency, it didn't catch wide attention at that time. The paperwork of this project went through ups and downs in its progress. In 1989, due to high population growth coupled with economic liberalization, India felt the need to start negotiations for this pipeline to fulfill its energy requirements. India also realized the unavoidable fact that a pipeline would traverse the territory of its arch-rival, Pakistan. But in 1995, Iran and Pakistan officially signed the pipeline agreement. India was included in 1999 by the proposal of Iran. However, due to tense situations between India and Pakistan, progress was stopped until 2007 when India was again included in the deal. Ironically, India again pulled out in 2009. Such behavior deeply jeopardized the fate of this pipeline among these nations. There are mixed views about Indian withdrawal from this deal. V. Kumar (2016, p. 2) and Dash and McCleery (2014, p. 36) felt that U.S. pressure caused India to withdraw which fulfilled the U.S. desire to cripple Iranian economy. However, Shebonti Ray Dadwal (2010, p. 264) explained

that it was due to environmental, financial and regional instability issues. Similarly, Ramana (2012, p. 952) and SG Pandian (2005, p. 313) identified that it was due to the volatile situation in Pakistan's Baluchistan province which caused a delay in this project.

Pakistani leaders tried to ensure the safety of this pipeline, but India was hesitant to enter into this agreement due to either of the reasons mentioned above. Even on one occasion, Pakistani President Musharraf assured the Iranian government 'Iran wants to send gas to India: it has to go through Pakistan...God has given us this strategic location, the importance of which is emerging fully now'. On another occasion, the Pakistani President Farooq Laghari guaranteed Indian high commissioner that Pakistan would not halt the supply to India. He stated 'India-Pakistan conflicts had never lasted beyond few weeks, supplies would, at best be interrupted by Pakistan for weeks' (Ramana, 2012).

The gas pipeline project's main impetus was from India. With the world's second largest population after China, India needs a massive future amount of energy to run its economy. Most of the energy reservoirs are in the Middle East and its transportation is viable for India. Qatar, Iran and Turkmenistan could possibly go into agreements with India for future energy exports. However, Iran is the most reliable, viable and relatively less expensive option for this purpose. According to British Petroleum's Statistical Review of World Energy June 2018 report, India's consumption of natural gas in 2007 was 38.8 billion cubic meters (bcm), which hiked to 54.2 bcm in 2017 (Petroleum, 2018). Energy International Agency (EIA) reports that India would need 17.2 trillion cubic feet (tcf) in 2040 (Agency, 2018). At this magnitude, Iran could fulfill Indian needs for 200 years.

Possessing the world's second largest natural gas reservoirs (estimated around 1200 tcf) Iran has the capacity to boost up the economies of the region in general, and India and Pakistan in particular. After the successful completion of this pipeline, India and Pakistan could save \$50 billion for 25 years, Pakistan in terms of transit fee, and India in terms of cheap gas for the specified period (S Pandian, 2005).

Sadly, the Iran-Pakistan (and India) pipeline could have taken advantage of Iran's resource capacity and geographic proximity, but geostrategic and financial factors barred it from completion. This pipeline has been made a subject of regional and international politics, mainly by Russia and the United States. In an effort to cripple Iran's economy, the U.S. brokered the Turkministan-Afghanistan-Pakistan-India gas pipeline, which started construction in 2015 (Dash & McCleery 2014, 36). When completed, this pipeline will traverse through war-torn mountainous areas of Afghanistan but its fate is as unpredictable as that of sustained peace in this country.

The Iran gas pipeline has significant advantages for Pakistan including mitigation of its seemingly unending energy crises and boosting of its economy. Pakistan's GDP growth rate has been on a steady decline since 1990, with these energy crises as major contributing factors. Apart from fulfilling energy requirements, Pakistan can earn around \$14 billion in taxes, savings and transit fees over 30 years. Most of the factories in Pakistan are run by oil, and country can save up to \$1 billion per year if they are run instead by gas. This savings could be channeled to pay debts thus working as a multiplier (Pandian 2005, 314).

The Nuclear Factor, JCPOA and Embargo

Iran and Pakistan share a common heritage, history, and religion. While both have experienced their own ebbs and flows through history, they have enjoyed good relations with one another while resolving issues of mutual concerns. Their current relations range from economic and security to political and geographic. One of the most important yet not fully realized connections between Iran and Pakistan is the trade of energy. However, recent developments involving not only Iran and Pakistan but also the international community have resulted in loss for both countries in the wake of embargoes on Iran.

The U.S. has a history of imposing sanctions on other nations as a penalty for their involvement in committing mass human rights violations, sponsoring terrorist organizations and other malign activities. The current list includes Burma (Myanmar), Côte d'Ivoire, Cuba, North Korea, Syria and Iran (Investopedia, 2018). Iran's current sanctions from the U.S. stem from their nuclear pursuits.

Pakistan has also faced U.S. sanctions in their pursuits toward nuclear weapons. After their first-ever nuclear tests in 1998 at Chaghi, Baluchistan in response to India's own tests, Pakistan came under the U.S. radar and a trade embargo along with other heavy sanctions were imposed. It was an expensive and decades-long covert nuclear journey for Pakistan which ended after 9/11 when the U.S. lifted sanctions in response to Pakistan's joining the War on Terror. Marking this major change in U.S.-Pakistan relations, U.S. State department spokesman Richard Boucher said, "We intend to support those who support us. We intend to work with those governments that work with us in this fight (against terrorism)" (Wagner, 2001).

Iran began its nuclear program called Atom for Peace in the 1950's with the support of the United States. Iran claimed its nuclear technology was purely for civilian and peaceful purposes. However, that intention ended with the 1979 Iranian Revolution in which Shah of Iran was toppled by a theocratic government. Iran then continued its (now clandestine) nuclear ambitions to get highly enriched uranium for a nuclear weapon. These ambitions continued on-and-off till 2003 when a dissident political group revealed Iran's undeclared nuclear activities (International Atomic Energy Agency [IAEA], 2003). This development put on high alert the International Atomic Energy Agency (IAEA), a nuclear technology watchdog agency. According to some reports, during an investigation conducted by Pakistani, U.S. and international experts in 2003, traces of bomb-grade uranium found in Iran came from Pakistan ("C. I. A. says Pakistan," 2004). But, in a May 2018 IAEA report, no traces of malicious activity toward enriched uranium were found in Iran after 2009 which was previously claimed by both U.S. and the IAEA (IAEA, 2018). During this whole era, Iran was plunged under huge international sanctions, which almost crippled its economy.

In 2015, the P5+1 nations (the United Nations Security Council's five permanent members: U.S, England, China, France and Russia plus Germany) and Iran reached an agreement under which the latter would surrender its highly enriched uranium materials and shut down its nuclear reactors. As a result, Iran was given relief in the previously imposed multi-dimensional sanctions. This opened doors of investment for Iran, boosting up its economy from 2015 through most of 2018.

However, in November 2018, Iran was again sanctioned by the U.S. under the accusation of malicious activities in the Middle East and pursuing missile technology. But, eight countries were given exceptions allowing them to continue trading with Iran, including its major allies: India,

China, Turkey, and South Korea. At the same time, these nations also received instructions from Washington to minimize the size of trade with Iran in the future. This has drastic implications for Iran's security and economy.

Iran's neighbour Pakistan is also facing a similar situation. Pakistan is heavily defined by external factors including India, United States, and the Kingdom of Saudi Arabia. To some extent, these factors heavily influenced Pakistan's internal and external circumstances (Dilawar, 2018). Pakistan's complex ties with the U.S. and Saudi Arabia effectively bars it from entering comprehensive, multi-dimensional relations with Iran. Whenever Pakistan was in need, the U.S. and Saudis provided extensive yet controversial monetary and non-monetary aid. Such aids helped Pakistan in short run but proved disastrous in long run.

Pakistan is facing its worst energy crisis in 10 years, and it is getting more serious. It is very unfortunate that Iran, having abundant energy resources (including the world's second largest natural gas reserves) while Pakistan being energy-starved neighbor, are unable to trade with each other in a free, acceptable, and respectable manner.

Iran has long been trying hard to cash in on its energy resources with Pakistan and other neighbors. But due to U.S. pressure, India withdrew from the Iran-Pakistan-India (IPI) pipeline agreement, followed by Pakistan. India was offered an alternative Civilian Nuclear Technology to produce electricity and Pakistan demanded the same but neither received permission from the U.S. Additionally, Pakistan is least likely to convince the U.S. to provide said technology because of the former's suspicious fissile material activities.

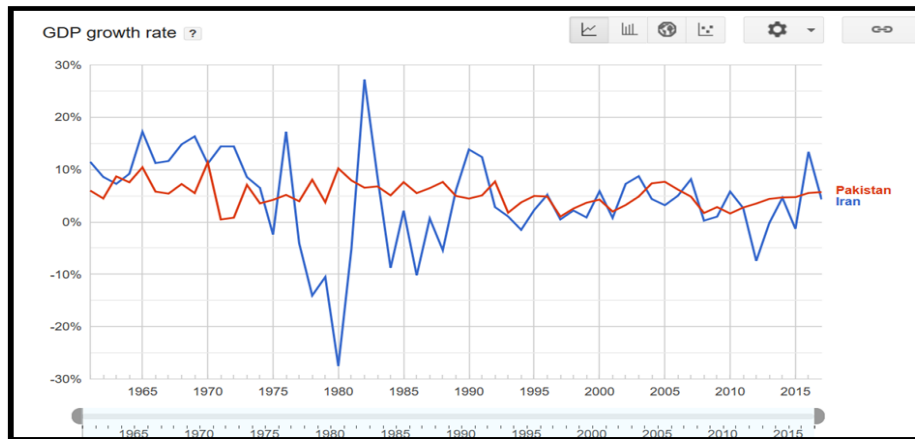
Ultimately, the \$7.5 billion gas pipeline was not completed on the Pakistani side due to internal and external issues despite Iran successfully constructing the pipeline from its South Pars territory to the Pakistan border. The pipeline had the capacity to annually transport 5.4 billion cubic feet of natural gas to India and Pakistan, but both missed the opportunity to see an era of prosperity and development due to the project's failure. Ironically, the pipeline was once called the Peace Gas Pipeline since it had an ability to bring regional stability. Now, it can only be seen as a missed opportunity ("Iran's oil minister," 2018).

Sectarianism

Yet another unfortunate similarity between these neighbors is that both are facing domestic issues of sectarian crises. These crises are engulfing the domestic peace of both nations that emerged after General Zia ul Haq's Islamization policies in the 1980s. During the same era, Saudis funded religious schools in Pakistan, while schools of opposing religious philosophies were funded by Iran. As a result, Pakistan was made a religious battleground which continued after the end of the Taliban government in Afghanistan in 2001. Indeed, Saudi Arabia funded these schools to create a jihadi mindset to help the U.S. fight the Soviet Union in Afghanistan. This ideology coupled with the dormant jihadi mindset when Pakistan government decided to join U.S. War on Terror after the 9/11 incident. After the decision, a bloody wave of religious insurgency—and sectarian in some areas—was initiated in the country which continued for more than a decade. The center of which was the then lawless tribal belt of FATA (Federally Administered Tribal Areas), which runs adjacent to the border with Afghanistan. Being a resident of the tribal belt, the writer has seen its flames and destruction. The conflict cost Pakistan hundreds of billions of dollars and more than 75,000 lives to

uproot these insurgents from the society (Gul, 2018). But their remnants are still bothering Iran. Jaesh Al Adl, a jihadist organization, is involved in instability of Iran's Sistan-Baluchistan province. Recently, several Iranian border security guards were abducted at Marjaveh border with Pakistan ("Jaish al-Adl claims," 2018). Iran wants Pakistan's cooperation in chasing down the insurgents in Baluchistan and securing the border.

It is unfortunate that neighboring Iran is not even in Pakistan's top five list of major trading partners. Those include, in terms of percentage of total trade, China, the European Union, United Arab Emirates, Saudi Arabia, United States, Kuwait, India, Malaysia and Japan and then Iran. Regardless of the high potential with Iran, the question for policymakers include the reasons that make Pakistan unable to keep up a reasonable level of trade. Pakistan's exports to Iran plunged



from \$1.32 billion in 2008-09 to just \$318 million in 2015-16. Similarly, exports from Iran were only \$280 million in 2015-16 ("Iran-Pakistan Trade," 2017). Total trade (exports minus imports) is the main determinant of a country's gross domestic productivity (GDP). Further, the growth rate of real GDP should satisfy the growth rate of population. The dismal current picture shows that Pakistan's real GDP for the year 2018 is declining while its population is increasing (CEICDATA, 2018). If this situation continues in these divergent directions and with the current speed, we may see difficult days in coming times.

Figure 3: Pakistan, Iran Productivity Progress at a Glance

Source: World Development Indicators, World Bank

Pakistan and Iran have been through many tests in their history. They both faced many challenges and had many ambitions, some fulfilled and some unfinished. They cooperated in many areas, but much cooperation is still needed to tackle the upcoming challenges including poverty eradication, fighting sectarian insurgency, enhancing country-wide productivity, improving human development index, enhancing sovereignty, having multi-dimensional and friendlier relations with its neighbors based on equality and controlling the trans-national infiltration. Both the governments should realize the need of cooperation for their internal and external strength and stability. It is a proven fact that without cooperation, there is no progress. And without no progress, there is no survival.

CONCLUSION

Both Pakistan and Iran are going through a challenging time these days, especially in the wake of U.S withdrawal from JCPOA. They will have to decrease these challenges and utilize its resources for the benefits of each other. There are few recommendations in the light of research done above.

Pakistan and Iran will have to re-establish their foreign policy by which they can pursue an efficient economic relation. They must quicken the negotiation process of the Iran-Pakistan gas pipeline. It is Pakistan which is on the weaker side of this process, and it will have to play an effective diplomatic role in Washington to receive a similar waiver which they have granted to India, Turkey and China and few others in the wake of its withdrawal from the JCPOA agreement.

The participation of India into the IP project can increase the likelihood of its success to a certain extent. India's joining can increase the pressure on Washington to minimize resisting the IP project, in which case it can become India-Pakistan-Iran gas pipeline, The Peace Pipeline, again.

The democratic governments in Pakistan are a ray of hope of establishing good ties with neighboring nations including India. The Pakistani prime minister is continually claiming that he will have a strong foreign policy that will only work for its national interests. It should thus work with intent to convince Washington of its national priorities.

Pakistan and Iran need to work on their border management to minimize cross-border infiltration, which has become a consistent headache for Iran. Although, Pakistan took necessary measures to eliminate those insurgents in its areas. These militants are highly wanted for Iran, but it is still bothering the latter in its Sistan-Baluchistan Province. If this issue is not tackled effectively, it can jeopardize Pakistan-Iran relations which can push the region into another skirmish. Pakistan cannot afford to open new avenues of confrontation.

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