**Pakistan and the Middle East**

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For reasons politico-economic as well as sectarian, the Middle East is fated to remain a trouble spot.

The same reasons dictate that Pakistan continuously walk a tight rope in attempts to strike a balance in its relations with the two opposing camps in the region. Islamabad’s current diplomatic drive, launched in the wake of the assassination of a top Iranian commander at the hands of the US, which brought the region to the brink of war, is part of these efforts.

A country’s foreign policy is underpinned by three sets of factors: the current international, including regional, environment; the power mix (military, economic, soft) that it has relative to others; and the inclinations and preferences of policymakers. In a world of scarcity, every decision and every policy choice – including that on the foreign front – entails an opportunity cost. The decision to ratchet up relations with one ally or neighbour may ruffle another’s feathers when the two are at daggers drawn. An independent or neutral foreign policy may deprive a country of economic or security related assistance on which it sets a high value.

Pakistan’s Middle East policy is born of the region’s power dynamics, underpinned by sectarian and economic configurations, and its own strengths and weaknesses. The Middle East has two capital credentials: it is endowed with enormous oil wealth; and for centuries it has been a hotbed of the familiar sectarian schism. A Sunni majority region, the Middle East is also home to substantial Shia populations. Iran and Saudi Arabia, the two principal regional powers, drawing strength from their enormous petroleum reserves, as well as patres familias of the two sects, have for decades locked horns to control the region, both directly and through their proxies.

Iran, Bahrain, and Iraq are Shia majority nations. However, until the ouster of Saddam Hussein in 2003, Iran was the only Shia majority country in the region where the government was in the control of the adherents of that sect. The toppling of Saddam by the US made Iran a major mover and shaker in Iraq by default. Syria stands out as a special case, where Shias despite being in minority have been at the helm since 1970. In the course of their strategic rivalry, both Riyadh and Tehran have supported and opposed governments and movements in the neighbouring countries much to the detriment of those states.

In recent years, the breakout of civil war in Syria in the wake of the 2010 Arab Spring, exacerbated Iran-Saudi or Shia-Sunni tensions. The war in Yemen followed.

The rise of Daesh which sought to put in place an all-encompassing, transnational caliphate and by implication pull down the reigning absolute monarchies in the Gulf through ‘jihad,’ put the Gulf kingdoms on the horns of a dilemma. Either they made a common cause with Iran in crushing the cataclysmic organization or they took on Tehran with the support of Daesh.

The kingdoms resolved the dilemma by setting up a 34-nation military alliance avowedly against Daesh and other militant organizations. Iran, Iraq and Syria were not invited to become part of the alliance. Daesh has been subdued – though there’s no guarantee it may not rise again – for which different countries including Iran, Syria, Russia and the US take the credit.

In the power game against Tehran, Riyadh has had the benefit of having Washington and its European allies on its side since the 1979 Iranian revolution. Whether it’s Yemen or Syria, the West and the Saudis have rubbed shoulders. The crippling international economic sanctions further squeezed the space for Iran to manoeuvre. The 2015 nuclear deal, which saw lifting of most of the sanctions, created some hope of Iran-West détente and a strategic change in the regional scenario.

However, that hope turned out to be a pie in the sky. First, the US opted out of the agreement and now in the wake of General Soleimani’s death, Iran has all but set the deal aside. The resulting tensions, which seemed only a whisker away from precipitating another war in the Middle East, have been de-escalated, as both sides pulled their horses before the precipice. The region, however, continues to sit on a heap of explosives.

As a rule, the antagonism between Iran and Saudi Arabia is seen as an expression of sectarian schism, with people by and large taking sides on the basis of the sects they adhere to. This has furthered the proxy war, which rests on the bedrock of sectarianism. The proxy war in turn has aggravated the sectarian divide.

The Tehran-Riyadh tensions also present a difficult policy option for governments of other countries. Outright support to either country is bound to irritate the other. Islamabad has also been trying to stay neutral in Tehran-Riyadh conflicts. While the government doesn’t want to set off the adherents of either sect, economic considerations will continue to play a much important role in its decision-making.

Saudi Arabia is the single largest source of remittances to Pakistan, which leans heavily on these inflows to bridge a massive current account deficit, rack up the purchasing power of the people, and keep the wheels of the economy moving. During 2018-19, Saudi Arabia contributed $5 billion, which make up nearly a quarter of a total of $21.8 billion remittances that Pakistan received from all over the world.

The kingdom’s strongest ally, the UAE, contributed $4.6 billion. In the first six months of the current financial year as well, Saudi Arabia has remained the largest source of remittances for Pakistan, accounting for $2.6 billion out of the total figure of $11.4 billion.

Likewise, Saudi Arabia is among Pakistan’s largest trading partners. In 2018-19, the bilateral trade sat at $3.3 billion. By contrast, Pak-Iran bilateral trade was less than $350 million. Thus the size of Pakistan’s trade with Saudi Arabia is nearly ten times larger than that with Iran. The re-imposition and tightening of US sanctions on Iran has dashed any hope of revival

of Pakistan’s commercial relations with Iran.

Historically, Saudi Arabia has not been a major investor into Pakistan, as it used aid as the major economic instrument of driving bilateral relations. When the present government took office, the Saudis announced a $6 billion credit line for Islamabad including $3 billion as balance of payments support and an equal amount for purchase of oil on deferred payment. The UAE also announced a similar package for Pakistan.

During the high-profile visit of Saudi Crown Prince Mohammad bin Salman to Islamabad nearly a year ago, Riyadh announced it would invest $20 billion – mainly in the energy sector – into cash strapped Pakistan. Though, on the face of it, there were no strings attached to the aid, it’s rare that such assistance comes without conditions, which are not made public but one can sound them out by looking at the way in which the bilateral relations proceed.

During the recent Tehran-Washington stand-off, Islamabad categorically declared that its soil wouldn’t be used against another country, which was an indication of neutrality. A few years ago, Islamabad had turned down Riyadh’s request to send its troops for operations in Yemen, as such a move would amount to taking sides in the Iran-Saudi tug-of-war. Instead, Pakistan fruitlessly mediated between the two countries.

While Islamabad’s fresh mediation efforts are a sound response to a tricky situation, it wouldn’t be realistic to attach too much hope to such overtures because of the limited influence that it can exercise on any of the key players.

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