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Saudi – Iran Rivalry: Its Impacts on Pakistan

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ABSTRACT

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This paper will discuss the complex strategic harmonizing action of Pakistan and Iran Saudi Arabia, including the diplomatic problems, and opportunities Pakistan manages in its relationship with its rivalry. It examines the diplomatic strategies by Pakistan to stay in balance and encourage cooperation and reduce the effect of the tensions in the region. This paper focuses on highlighting the role of Pakistan as an arbitrator and facilitator of conflicts in the region, noting some of the steps it is taking towards ensuring peace and stability. Also the paper presents the involvement of Pakistan in multilateral diplomacy by joining nonaligned movement and diversification of its economy that will diversify it to avoid dependency on foreign aid. With the help of improved strategic relationships and sustainable development, Pakistan will be evolving into a nation with improved diplomatic power and economic stability, which will eventually help provide security in the region and stability globally.

Introduction

Saudi Arabia and Iran relationships are complex and have regional and global repercussions. The bilateral ideological, political and security rivalries between the two countries are one of the biggest victims in Pakistan. The effect of this split has not reached the level as in Syria, Iraq, Lebanon, and Oman due to presence of a stable political government and security situation, but has the potential to emerge as security threat to Pakistan if the rivalry did not managed the regional level. The both sides tension between Iran and Saudi Arabia does not just have an impact on the domestic front of the countries alone, but also limits the foreign policy of Pakistan to making decisions because as it must make decisions it must pick either of the sides (which should not be there) yet both have to have warm friendly relations to each other. There is a high degree of dependency of Pakistan on the Saudi Arabia based on the religious affiliation of a huge proportion of the Sunni population and also seeks economic relations between the two countries (Aamir, 2019). The relevance of the Saudi Arabia is also growing since its economic status is deteriorating and its reliance on foreign remittances is improving. During this state, it is quite imperative that Pakistan has perfect economic and security relations with KSA. It would be no exaggeration to say that today, its significance is more to Pakistan than to China and United States.

Pakistan shares a porous border with Iran on the other hand. Iran is the only country in the present situation, where it has not deployed its army at large number. Any disturbance in the bilateral relation would stretch Pakistan's army beyond its current capacity as it is already wide spread in different parts of the country against the Taliban, on eastern border with India. Between Iran and Pakistan, there is already a tug of war as they even exchanged missiles recently so as to attack those miscreants on both sides. Unless handled well, this may end up causing even proper security issues. A recent example of a nosedive in bilateral relations between Pakistan and the Islamic Emirate in Afghanistan is over the matter of Pakistani

Taliban. The bilateral approach of Tehran and Islamabad has a high possibility of becoming rivals when it comes to the political, ideological and security issues (Abbas, 2016).

One of the major factor in the cold relationship between Pakistan and Iran is the change of regime in the later in 1979. Pakistan enjoyed good and tactical relationship with Shah dynasty in Tehran. Shah was a close ally of Pakistan and provided economic, military and political support to Pakistan between 1947 and 1979 with regards to opposition to India. Iran is one of the first countries that recognised Pakistan in 1947 and did not have any political, border, ideological problems with Islamabad since beginning. The regime enjoyed positive relation with the Arab region as well as a front-state partner in cold war with USA. It was economically prosperous and politically stable and had a friendlier relationship with its neighbours (Chubi & Tripp, 2014).

Historical Background

It is true that the revolution in 1979 and subsequent change of regime in Tehran has transformed the flow of its internal politics drastically but has also impacted radically on its relations with the neighbouring states, among them, Pakistan. The revolution was followed closely by the Iran-Iraq war, Iranian sectarian growth in Middle East, and funding Shia minorities in Sunni majorities, countries. The bilateral relationship between Pakistan and Iran was impacted by these changes. They never had the equal measure of trust or sanity as before the revolution nor do they trust each other on their motives or aims in the region (Beck, 2020). The high in the bilateral relations between Saudi Arabia and Pakistan, which is the regional opponent of Islamic Republic of Iran in the Middle East region, made this relationship to reach new lows. However, Tehran began establishing friendly relations with India at the cost of Pakistan, but never came to the same scale of intimacy as relationship between Islamabad and Riyadh. As was indicated in the above discussion, there are serious economic, political military and ideological consequences of the bilateral relationship between Tehran and Saudi Arabia on Pakistan which will be explored, expounded and analysed to prescribe a way forward on the policy makers in Islamabad and add to the already rich body of literature on the same which may be consulted when reviewing the policy of the region (Beck, 2020)

Three theoretical paradigms which explain bilateral relationship between Iran and Saudi Arabia and its effects and impacts on state of Pakistan exist. The former is termed as neo-realism that emphasizes the significance of balance of power as well as security interest, international system and anarchy. It is claimed that states have no political, economic as well as ideological interests but they have solely the state security concern and necessity which determines and adheres to the foreign policy of the country. It is through the international system, balance of powers and anarchy that the security interest of every state is ascertained. The second school of thought is neo-liberalism, which stresses upon the importance of domestic political system, economic interest and ideology of that country. It states that the international system is significant however the political system, economic interest and ideology of such state determines the result of the state. It states that pre revolution regime was different before revolution in 1979, had different policies than different post revolution due to the change in the said factors (Al-Badi, 2017). The third one is social constructivism. It believes that international system is a socially constructed phenomenon, which is the result of myriad factors like ideology, economy, political system, perspective and nature of interaction. Such relations form pool of knowledge amongst states, which form structure in the bilateral relationship that influence the nature of relationship. That interaction not only produces any action, but strengthens the same structure, which would break only with paradigm shift, which could be the outcome of such a huge upheaval within a socio-political system as Iran revolution in 1979 (Beck, 2020).

The engulfment of Iran and Saudi Arabia in this ongoing cold war owes enormous issues ranges from “Middle East dominance” to “maximization of power” and boosting the economy in the region. The impact of this cold war to Pakistan, is tremendous, in the sense that, Pakistan is on the same borders with Iran and has religious connotation with KSA. KSA and Iran on the chess of International stage are not only caught in strained relations, but also affecting other states too. The prevailing century is an era of power politics and augmenting the economy.

Both capital cities, Riyadh and Tehran, devastated and strife ridden by internal division. Being burdened with huge populations, these states heavily relate on oil production and the oil prices have gone low leading to birth of inflation, unemployment and low portfolio internationally. These states that had high oil deposits experienced tectonic shocks in 1998-99 when the oil prices declined and it brought about change in the human development areas. This situation forced KSA and Iran to shake hands with big muscles i.e. USA, China, Russia etc. Hand, being part of any big power implies the existence of different Foreign policies depending on national interests (Garlick & Havlová, 2020).

It is in this environment that Saudi Arabia leaned towards the USA and Russia sided with Russia to survive. This great game based on competition has many impacts on other nations too. To have side with any state will be a bolt from the blue. Therefore, neutral Foreign policy and a role of mediator by Pakistan could subside the burning flames between Iran and KSA (Keynough, 2016).

Saudi-Iran Relations History

The Pre-Islamic and Early Islamic Periods

The friendship between what we know of Iran and Saudi-Arabia is the opposite of what occurred during ancient times. During the pre-Islamic period, the Arabian Peninsula and Persia (Iran nowadays) remained different cultures and political units. Arabian Peninsula was occupied with numerous tribes, was more nomadic and Persia was well-established and had a rich cultural heritage and advanced administrative systems. The development of Islam in the 7th century has altered the region greatly. Both areas were merged on a religious platform with the dissemination of Islam. This had a very limited time of existence, though, as political and religious distinctions began to crop up shortly thereafter. The dispute between the Sunni and Shia which began with the death of Prophet Muhammad (PBUH) in the year 632 AD, formed the foundation of the impending sectarian conflicts. The Umayyad and Abbasid Caliphates based in modern-day Saudi-Arabia followed Sunni Islam, whilst Persia slowly transformed to the base of Shia Islam particularly following the state adoption of Shia Islam as the official religion by the Safavid dynasty in the early 16th century. This history established a platform under which the long-term ideological and political conflict between Saudi-Arabia and Iran was to play out (Mabon, 2015).

Modern Political Relations

1. The Iranian Revolution of 1979: in the year 1979, the revolution witnessed in Iran was a watershed event in the history, politics and society in the Middle East region as well as dramatically changed the dynamics between Iran and Saudi-Arabia. The establishment of a new era in Iran was reflected when the royal Pahlavi Establishment and Monarchy were toppled in the country and transformed into the under Ayatollah Khomeini and theocratic Islamic Republic. The revolution not just changed Iran, but it had very far reaching consequences in foreign policies. Iran began to export its revolution of anti western ideologies to the rest of the Muslim world. This was the beginning of a head on collision with KSA that had installed themselves to be the sole defender of the Sunni Islamic world and a significant ally of the West. There were heightened regional rivalries between Shia Iran and Sunni Saudi Arabia. SIPRI (Stockholm International Peace Research Institute) (R. K., Haider, S. A., & Gul, A., Abbasi, 2021). published the analytical and insightful report that reveals that military spending by both sides soared significantly in the period after the Iranian Revolution with Saudi-Arabia being in the top five on the list of global military spending.
2. Key conflicts and cooperation: The period after 1979 has seen a succession of conflicts and some instances of cooperation between Iran and Saudi-Arabia. The first significant wars were the Iraq-Iran War spanning (1980-1988), where USA, Saudi Arabia and other leading Middle Eastern nations extended their hands and assisted Iraq to curb and annihilate the proliferation of the revolutionary ideology of Iran. This war led to crippling human and economic destruction to both Iran and Iraq, and the hatred between Iran and KSA was further cemented. In even more recent times, the Arab Spring and the subsequent local revolutions have offered more platforms to the Saudi-Iran rivalry. The military crisis in a significant Middle Eastern country of Yemen, the ongoing bloody Civil War in Syria and political instability in Lebanon has all involved Saudi-Arabia and Iran siding with different factions in the conflict hence continuing the chain of proxy wars and instability in the region. There have been instances of practical collaboration, however, where economic interests have sometimes caused the temporary truces, like the OPEC agreements on the level of oil output (M. N I. H, Abbas, H., Qaisrani & Mirza, 2021).

Relevance to Pakistan

Geography and politics of Pakistan

Pakistan's geographical positions crucial in the Saudi-Iran rivalry. positioned at the cross road of Middle East, Central Asia and the South-Asia, Pakistan has strategic importance. It is a powerful state due to the fact that it is a neighbor of Afghanistan, India and Iran and proximity KSA. The Gwadar-Port in the Baluchistan provinces of Pakistan is also one of the legs of the so called game changer mammoth development project of (CPEC) a major trade and energy-pathway that is strategically important to both Saudi-Arabia and Iran. Pakistan is part of a balancing act politically. Though it has substantial religious and economic connections with Saudi-Arabia, such as the reliance on the remittance of the more than 2-million Pakistan is employed in Saudi-Arabia, it also has an important border with Iran and has large Shia-population in its own territory. According to the Pakistan-Bureau of Statistics, remittance from Saudi-Arabia contributed to over \$5.7-billion to Pakistan's economy last year (Khan & Qaisar, 2020).

Past Connection with Iran and Saudi-Arabia

In the past, Pakistan has managed to succeed due to its balanced and mutual relations with Iran and KSA. In the initial years of its independence, Pakistan entered into a strong alliance with Saudi-Arabia on religious ground, and strategic

considerations. Pakistan has been receiving significant financial and oil imports amongst others by KSA, particularly in times of economic crisis. On the other hand, Iran and Pakistan have relationships that have been affected by the geographic closeness and cultural affiliations. Pakistan had been one of the first nations to be recognised by Iran, after all its independence in 1947 and initially, there were deep diplomatic and economics relations. Nevertheless, these relationships have been erratic with sectarian tension and alliances. In case, in the 1980s, when Pakistan was helping the Mujahideen in Afghanistan, that was in line with Saudi interests but not that of Iran, which was fomenting the opposition (Sadeghi & Ahmadian, 2011). Nevertheless, even with these swings, Pakistan is still attempting to achieve a middle ground and knows that it is essential to maintain a relationship with these two of the regional powers.

Sectarian Dimensions

1. **Sunni-Shia conflict:** The Sunni-Shia conflict is an essential feature of the Saudi-Iran conflict, which has historical and theological origins. Shia Islam, symbolized by Iran and Sunni Islam, represented by KSA and, as opposed to each other, have a lot of major differences in several critical points of view, such as the succession to leaders, via religious practices. This has been a source of division and a vexing tension over centuries in the Muslim world, but has taken a new dimension in the contemporary geopolitical scenario. The Muslim world is Sunni, with 85-90 percent of the population specifically Sunni, and 10-15 percent Shia (Pew Research Center study, 2017). This population balance is what continues to instigate the power play between the Shia minority headed by the Iranian state Sunni majority headed by KSA (Abbas & Syed, 2021).
2. **Impact on regional politics:** The sectarian divide has significant implications the entire region of Middle East. KSA and Iranian state have used their religious identities to forge alliances and influence the region. Attitudes towards each other in countries with mixed Sunni-Shia communities, including Iraq, Lebanon and Bahrain, have been a frequent source of tensions between the sects which led to political unrest. For example, in 2003 the collapse of the Iraqi Dictator and ruler Saddam Hussein's regime in Iraq led to a power vacuum that has been filled by various Sunni militias were supported by KSA, while Iran has backed Shia groups just to counter Iran's sway. Similarly, in Yemen, the Saudi-led coalition has been engaged in a protracted conflict against the against the Iran backed Huthis (Saikal, 2016). The civil war and Saudi Attack have formed the worst kind of humanitarian crises in the whole country as indicated by the United Nations. The current proxy wars and sectarian struggles in other parts of the Middle east region highlights the far-reaching effects that the Saudi-Iran confrontation has on the politics and stability of the region (Sadjadpour, 2011).

The Relations of Pakistan with Iran Saudi-Arabia

Historical Alliances

The diplomatic and political relationships between Pakistan and Saudi-Arabia as well as Iran are historic. After gaining its independence in the year 1947, Pakistan aimed at creating strong ties with the Muslim states as they saw it as important in its foreign policy set up. Saudi-Arabia and Pakistan soon became the two strong partners that were based on the common religious beliefs and common interests of the countries in terms of strategies. This rapport was further enhanced in 1960s and 1970s where both nations mutually supplemented one another on international platforms like (OIC) and United-Nations and (Salloukh, 2013). However, Pakistan and Iran had good relations especially when the Pahlavi dynasty existed. However, the two nations had cultural and historical similarities whereby, Iran took charge of Pakistan shortly after it attained independence. When the war between Pakistan and India happened in 1965, the Shah of Iran was the one who played a substantial part as he openly supported Pakistan against the opponent (Terrill, 2011).

Key diplomatic engagements

Throughout the decades, Pakistan has had many high tied diplomatic talks with both Saudi-Arabia and Iran. The bilateral visits usually aimed at increasing the cooperation in various spheres, such as, defense, trade, culture. For instance, when Pakistan was visited by the KSA's crown Prince Muhammad Bin Salman in 2019 marked a significant milestone, resulting in the signing of investment agreements worth over \$20 billion (Ministry of Foreign Affairs of Pakistan). Equally, Pakistan has also had a vibrant diplomatic link with Iran with occasional state visits in an attempt to enhance bilateral relations. The visit to Iran by the president of Pakistan Mr. Hassan Rouhani in 2016 and the subsequent talks regarding the desire to improve the security of the borders and increase economic cooperation depicts the desire to have a balance between the relations that Pakistan has with the main powers in the region (Farha, 202).

Economic and Military Cooperation

Trade and Economic accords: Pakistan has had to shape its ties with Iran and Saudi-Arabia so as to enhance its economic potential. Saudi-Arabia is the fourth largest remitting source to Pakistan and more than 2million Pakistani expatriates work

in the Kingdom. These remittances play a major role in the economy of Pakistan; about 5.7 billion yearly (State Bank of Pakistan). Moreover, Saudi-Arabia has also invested a lot in other industries in Pakistan such as energy, infrastructure and agriculture. The setting up of oil refineries and power plants in which Saudi nationals are the investors highlights the economic interdependence of the two nations. On the other hand, Pakistan has been able to maintain a stable trade relationship with Iran even when international sanctions were imposed on Tehran. Bilateral trade between Iran and Pakistan has been approximately between \$1 billion and \$2 billion each year, and it could potentially become a lot more in case of relaxation of the sanctions (Trade Development Authority of Pakistan). Pakistan also imports oil and gas at Iran and both have also discussed the viability of such a venture as the Iran-Pakistan gas pipeline to supply the Pakistani energy demands (Ahmad, 2016).

Military cooperation and assistance: Saudi Pakistan bilateral relations Saudi Arabia and Pakistan have participated in various military exercises, training and military agreements. Saudi-Arabia has been generous in offering military assistance to Pakistan such as funding military projects and acquisition of arms. The Pakistani military personnel, in turn, helped to train Saudi armed forces and also participated in security operations in the Kingdom. A 2018 reports released by the prestigious research based think Tank the International Institute Strategies Studies (IISS) reported that the number of Pak military deployed in Saudi-Arabia is more than 1, 000. Iran on the other hand, has had less military cooperation with Pakistan through geopolitical reasons and dynamics in the region. The author of this section is Agius and Devine (2011). However, the two countries have at times undergone combined border security programs to combat cross-border terrorism and smuggling. They are endeavors that are vital in ensuring stability in the porous Pakistan-Iran border which has been among the hot spots of insurgence activities.

Cultural/Religious Influences

Religions and Churches

Cultural and religious relationships between KSA and Pakistan are also well embedded informed by Islam common heritage. In the Muslim world KSA is believed to be the protector of two most holy places in the Islamic world i.e. Medina and Mecca and has a momentous spiritual influence in Pakistan. In its effort to spread Wahhabism, which is a conservative form of the Sunni interpretation of Islam, the Saudi government has invested in the construction of mosques, religious schools (madrassas), and Islamic centers throughout Pakistan. The institutions have contributed to the religious discourse in Pakistan. Iran on the other hand has also been engaged in influencing in Pakistan through its influence of Pakistan through Shia religious movements and institutions (Cardinali, 2013). Through the several Shia seminaries and groups in Pakistan, Iran promotes the religious education, and the cultural relationship with Pakistan. This twofold push has led to the complicated sectarianism situation in Pakistan, with the percentage of the population being a sect of Shia Islam estimated to be at 15-20 (Pew Research Center, 2017).

There have been strong cultural interchanges between Saudi-Arabia and Pakistan, with so many Pakistanis visiting Saudi-Arabia in areas like Ha and Umrah, to make religious pilgrimages. These pilgrimages not only enhance spiritual ties, but also cultural interaction and the understanding. Furthermore, Pakistani students are given a scholarship in Saudi universities by the Saudi government and this has added even more educational and cultural linkages. Similarly, Iran has attempted to foster their cultural background in Pakistan by activities like cultural festivals, academic/professional partnerships, and literary interchange. Iran literature, poems, and films have been welcomed with open arms in Pakistan, especially by the Shia population. Such cultural exchanges add to the larger socio cultural fabric of Pakistan and the complex and multi-faceted relationship that it has with both Saudi-Arabia and Iran (Grumet, 2015).

Impact of Saudi-Iran Rivalry on Pakistan

Influence on Domestic Politics

This rivalry between Saudi and Iran is also having a major impact on the domestic politics of Pakistan, which are formed out of sectarian and political relations. A large minority of Shia exists in Pakistan, approximately 15-20% of the entire population (Pew Research Center). This population distribution causes Pakistan to be a battleground of Saudi and Iranian influence. The kingdom of Saudi-Arabia is in favor of the Sunni religious movements and sects in Pakistan, fuelling Wahhabism and Salafism. Iran on the other hand supports Shia groups and seminaries, which propagates Shia Islam. Sectarian tensions in Pakistan have been following on these external influences and have resulted in periodical eruption of violence between the Sunni and Shia groups in Pakistan. The South Asia Terrorism Portal (SATP) reports that sectarian violence has also taken away thousands of lives in Pakistan within the last decades (Al-Aloosy, 2020). In political terms, the struggle does reflect on the policies of the different religious and political parties, with some being more Saudi in focus and others being more Iranian oriented.

Influence on foreign policy decisions: Pakistan foreign policy decisions are also vulnerable to the Saudi-Iran opposition with Pakistan being forced to walk a tight rope. As part of its efforts to maintain cordial relations with Iran and KSA, Pakistan aims at sustaining a cordial relationship with these nations as they are significant to the country. But to be too close to one, can make the other relationship strained. By way of example, the move adopted by Pakistan to remain neutral in Yamani war that began in 2015, although there was pressure on the country by the Saudi Arabia to join the coalition against Houthi rebels, was a change in policy that affected the foreign policy of Pakistan in balancing its relations with the two nations. Through its foreign policy, Pakistan is always faced by pressure by both Saudi-Arabia and Iran, which needs skilful foreign policy playing to keep both nations without antagonizing its national interests at the expense of the other (People's Daily, 2016).

Economic Consequences

Pakistani economic impacts of the Saudi Iran confrontation have far-reaching consequences especially on trade and investments. Saudi-Arabia is also among the largest trade partners and investors of Pakistan and has made massive investments in various industries including energy, infrastructure and agricultural industries. The Mutual annual trade volume amid Saudi-Arabia and Pakistan reached approximately \$3.6 billion in 2020 (Pakistan Bureau of Statistics). Conversely, trade with Iran has been minimal because international sanctions on Tehran exist which though there is still potential of expansion of areas such as energy and border trade. Competition between the two key countries in the Middle East region occasionally affects the extent and nature of their economic interactions with Pakistan, and both nations leverage on economic power in the pursuit of influence (Aziz, 2021).

The Pakistani expatriates earn remittances in Saudi-Arabia which is a vital prop to the Pakistani economy whose inflows are substantial. The Saudi-Arabia remittances in 2020 are 5.7 billion dollars (State Bank of Pakistan). This financial support is crucial for Pakistan's economic stability and development. It has also given Pakistan economic support, and concessional loans at times of financial meltdowns, such as the one in 2018, when Pakistan was given a financial package amounting to \$6 billion by Saudi Arabia to work on its balance of payments crisis (Ministry of Finance of Pakistan). On the other hand, the economic contacts with Iran have been limited with sanctions, even though there is still informal cross-border trade, which remains a factor towards local economies in the border countries (Agius & Devine, 2021).

Security and Military Implications

Military alliances and defence policies: Pakistan is affected by the Saudi-Iran rivalry in terms of security and military policy. Certainly, Pakistan has not merely been enjoying close political, economic and cultural relations with Saudi-Arabia, which is characterized by massive defense collaboration and joint military exercises. The Saudi forces have been significantly trained by Pakistani military personnel and thousands of military of Pakistan are deployment in the Kingdom of Saudi-Arabia to help in internal security and defense (International Institute for Strategic Studies, 2019). This partnership with Saudi-Arabia also demands a realization of a delicate stance with Iran whereby Pakistan is regularly placed amidst its two mighty neighbors. The military policy of Pakistan has to keep up with the dynamics of the region, stipulated by the Saudi-Iranian conflict, and strike balance on both sides of its allegiance to Saudi-Arabia and the necessity to maintain the stability along the boundary on behalf of the Islamic Republic of Iran (Abbass, 2016).

The antagonism between Saudi Arabia and Iran further adds to internal security issues in Pakistan, especially sectarian violence and terrorism. The two nations have also been accused of backing proxy groups in Pakistan in a bid to advance their strategic interest. Saudi-Arabia is regarded as the country of Sunni militant groups whereas Iran is considered to finance the Shia militia. The Global Terrorism Database (GTD) reports that Pakistan has over the years witnessed numerous sectarian attacks, which have seen the country suffer a lot of loss of life and property. This is because the existence of these proxy groups makes it hard to have sustained internal security situation within Pakistan and therefore establishing lasting peace and stability becomes hard. The Pakistan government has to invest heavily in counter-terrorism efforts and security dealings to alleviate the impacts of this external rivalry on its internal security environment (Ahmadian, 2023).

The Regional Consequences of the Saudi-Iran Rivalry

Impact on Pakistan's Regional Strategy

The security implications of the Saudi-Iran rivalry have a tremendous influence on the Pakistani regional policy. Pakistan as a nuclear-armed nation residing in a volatile region, is faced with the dilemma of balancing its obligations to Saudi-Arabia and the need to maintain security, stability and peace at home and in the region. The competition intensifies the tensions in the region and tends to escalate to proxy wars and military confrontations. In the case of Pakistan, it would require a delicacy approach to the issue of regional security with an accent on conflict management and negotiation, and the protection of domestic interests and borders.

Pakistan, economically, is hoping to capitalize on the advantage of its strategic position, ties with Iran, and KSA to improve connectivity and integration of the region, economically. This competition between these two regional giants usually impacted on infrastructure developments and economic projects in Pakistan. The Vision 2030 of Saudi-Arabia, and the aimed development of regional trade flows by Iran both offer opportunities and challenges to Pakistan. There is need to have a delicate approach in balancing economic engagements with both countries and planning on how to gain maximum benefits, and avoid the risks that come with the regional rivalries (Ahmad, 2022).

Diplomatic implication on the Pakistani Diplomatic Relations

Pakistan's foreign policy towards regional countries such as Afghanistan, India, and Central Asian states is influenced by its dealings with both the countries. The competition makes it difficult to develop any regional cooperation and stability, and it tends to drag Pakistan to rival geopolitical alignments. As an example, the Saudi and Iranian influence in Pakistan relates to Afghanistan and affects either stabilization efforts, peace and cooperation in the region. Globally, Pakistan balances its stance regarding international issues like climate change, terrorism and trade, taking into consideration the Saudi-Iran rivalry. Both Saudi-Arabia and Iran are influential in international arenas and groups, which impact the diplomatic activities and alliances of Pakistan. The competitive nature has forced Pakistan to take a keen balance in its foreign policies to construct its foreign policy with Iran and Saudi Arabia and to promote its national interests at the international level.

Strategic Balancing Act, Pakistan

Harmonizing Relations of Pakistan towards Iran and Saudi Arabia

Its advanced approach of balancing its relations with Islamic republic of Iran and KSA and Iran two influential regional powers with complicated geopolitical relationships is highly involved in its foreign policy. Pakistan uses a subtle method to welcome diplomatic relations with Saudi Arabia and Iran. It also takes part in high level discussions and strategic visits to help people understand each other and to increase cooperation. The bilateral trade between Pakistan and Saudi Arabia was at about 3.44 billion by 2021 (Pakistan Bureau of Statistics), which reflects the significant economic aspect of their connection. Also, Pakistan often can take the role of a mediator between Iran and KSA and Iran in terms of tension building in the region due to its neutral-status and promoting the process of conflict resolution and stability. These diplomatic efforts underscore Pakistan's pivotal role in Middle Eastern diplomacy and its commitment to fostering peace and cooperation (Abbas & Ahmed, 2021).

Important Setbacks and Victories

The lawsuit of maintaining a balance between Iran and Kingdom of Saudi Arabia is very problematic to Pakistan because of the countering geopolitical interests and past animosities. Saudi and Iran rivalry sometimes puts a burden on the aspect of neutrality and independence in foreign policy in Pakistan. Since then, in spite of these complications, Pakistan has managed to overcome diplomatic obstacles and can make major advances in the development of dialogue and cooperation between the two countries. For instance, Pakistan performed a vital part in facilitating talks amid both the nations following the 2019 attacks on Saudi Oil refineries which were attributed to Iran (Reuters, 2020). This mediation initiative not only assisted in diffusing the existing tensions but also strengthened Pakistan as a type of mediator in the region.

Attempts to Mediate and Remain Neutral

Pakistan engages in active diplomatic mediation in the conflicts of the region and has also a rightful approach of keeping off sides so that they can resolve the disputes peacefully. Its mediating efforts in such conflicts as the Afghan peace process and the Middle East tensions show its uncompromising focus on supporting dialogue and reconciliation between parties in conflict. By taking advantage of the position of an influential participant in the international actors and the image of an unbiased negotiator, Pakistan strengthens its diplomatic positions and actively participates in the activities of the global community in terms of conflict resolution and sustainable development (Ahmed & Akbarzadeh, 2016). Such efforts by diplomats enhance the outstanding international reputation of Pakistan and reaffirm Pakistan as an important player in both regional and international peace processes.

Recommendations for Policymaker in Pakistan

Addressing Sectarian Violence

In its Pakistan's role within the OIC, the country should focus on implementing all-out efforts to curb sectarian violence, which is a serious threat to the stability of the country. To mitigate tension and violent outbreaks, this involves the establishment of effective intelligence, law enforcement and community engagement strategies. Based on statistical evidence,

it is clear that in the recent years, the sectarian violence has taken toll of thousands of lives, and it is clear that intervention efforts must be targeted and the collaboration among agencies must be increased (Pew Research Center, 2020).

Promoting National Unity

Implementing inclusive policies, based on more than ethnic, religious and regional differences, is essential for promoting national unity. In Pakistan, focus needs to be given to initiatives that can foster cultural diversity, whilst reinforcing a common national identity. That may include growth of civic education initiatives and facilitating discussion spaces for chipping away at the faith and misunderstanding between communities.

Learning from models in other countries that have been a success can help develop effective approaches in national unity building (UNDP), e.g. community based reconciliation programmes have emerged in post-conflict areas.

Enhancing Diplomatic Engagements

Strategic Partnership and Alliances

Pakistan must focus on strengthening strategic relations and partnerships with importance global partners especially in the areas of Economy, Security and Technology. Improving the relationship with neighbour nations on which Pakistan is interested can enable it to have more influence and leverage on the international platform. For instance, strengthening ties with its neighbors such as China and Russia can help Pakistan gain geopolitical alliance and economic benefits (World Bank, 2020).

Proactive Regional Diplomacy

Pakistan needs to handle the intricate regional dynamics well and thus requires proactive regional diplomacy. This includes continuing Fiji's constructive and confidence building communication with neighbouring States to deal with the joint problems that are faced and to advance integration and co-operation throughout the region. The state of Pakistan can find these opportunities to be a key player in regional economic development and stability in initiatives like CPEC (Chinese mega infrastructure project) and the regional grouping, South Asian regional cooperation organization (SAARC) (IMF).

The less we rely on outside support the better!

Economic policies that decrease dependence on foreign assistance and promote self-reliance should be the top priority in Pakistan. This means diversifying the economy, encouraging other industries like technology, renewable energy and agriculture that can provide sustainable growth and jobs.

Presuming fiscal sustainability and economic longevity can help to reduce reliance on external support, as demonstrated by statistical evidence (World Economic Forum).

Sustainable Economic Growth Promotion

To boost sustainable economic and financial systems, investment in infrastructure, human capital and innovation is needed. Pakistan needs policies that promote entrepreneurship, innovation, access to quality education and health services and ensure environmental considerations are integrated into development projects.

However, there are at least some successful examples from emerging economies that show how sustainable economic growth can be achieved by implementing prudent policies that factor in economic growth, environment protection and social equity (OECD).

Conclusion

If rivalry between Iran and Saudi Arabia is no less than intense, then it can badly impact a Pakistan that is already on the fragile edge as always. The move towards reconciliation between these two would pose opportunities for Pakistan in important Key Socio-political, economic and strategic domain. Pakistan's role would determine that whether Pakistan would be a part of it's benefits or it would be a spectator? Based on this Research paper makes recommendations.

As a Muslim country and nuclear power Pakistan is in a position to act as a mediator between Tehran and KSA in future which will have a Muslim and nuclear population as well. Turkey's Geo-strategic location serves the interest of Pakistan, Turkey is benefitting both Iran and Saudi. These stake-holders will be on table – talk with Iran – Pakistan gas pipeline and Saudi in China Pakistan Economic Corridor (CPEC). The geo-economics vision of Pakistan will not only bring a thaw, but will also boost her own economy. Former Foreign Secretary Aziz Chaudhry (2021) has been pointing out that Pakistan must opt for geo-economic routes for its economic security and political leverage. In addition, Pakistan's membership in various

multilateral organizations, such as the United Nations (UN) and the Non-Aligned Movement (NAM), highlights its role as a responsible global player. Therefore, consolidating strategic partnerships and alliances – until the final frontiers if necessary – as in the case of the so called “game changing mega development project” of (CPEC) – can strengthen the economic and diplomatic leverage of Pakistan. By taking such proactive steps, Pakistan can strengthen its role in the world and contribute to sustainable development and mutual prosperity in the region.

Economically speaking, the diversification and modernization of the important sectors like technology, renewable energy and agriculture will help to diminish the reliance on external assistance and build self-sufficiency. The focus on fostering entrepreneurship, innovation, and investments in human capital and infrastructure will help drive sustainable economic growth and social development. Focusing on environmental sustainability and inclusive growth pathway, Pakistan can foster a robust and flourishing economy to be beneficial for all sections of society.

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