

# The Challenges and Inconsistencies of the Iran-Pakistan Relationship

Written by Nadeem Ahmed Moonakal

This PDF is auto-generated for reference only. As such, it may contain some conversion errors and/or missing information. For all formal use please refer to the official version on the website, as linked below.

## The Challenges and Inconsistencies of the Iran-Pakistan Relationship

<https://www.e-ir.info/2020/07/31/the-challenges-and-inconsistencies-in-the-iran-pakistan-relationship/>

NADEEM AHMED MOONAKAL, JUL 31 2020

Iran's approach towards Pakistan has seen multiple changes over time because of the geopolitical shifts in the region as well as domestic changes within Iran. Iran became the first country to recognize the sovereign status of Pakistan after it was formed in 1947. The convergence of strategic objectives facilitated by the Anglo-American alliance during the Cold War also helped in building a foundation for a stable Iran-Pakistan relationship initially. However, over time the geopolitical challenges and domestic dynamics of both countries caused inconsistencies in their bilateral engagement.

In the 1950s, Iran and Pakistan came closer through the Baghdad Pact which aimed at preventing communist incursions in the region. The geographic proximity to the Soviet Union at the time of the Cold War pushed Iran to join the Western bloc and the skepticism towards India and the tensions in Afghanistan urged Pakistan to join the same alliance. Hence, both Iran and Pakistan were a part of the Western alliance for their own security and survival. Even in the 1970s, Iran maintained very close ties with Pakistan and this was apparent in Iran's support to Pakistan during the 1971 India-Pakistan war. After the liberation of Bangladesh, Pakistan faced an economic crisis primarily due to the loss of markets in the then East Pakistan, and in the following years, the bilateral trade volume between Iran and Pakistan increased exponentially.

The economic relationship between both countries saw significant improvement through forums like Regional Cooperation for Development (RCD) which aimed at addressing the socio-economic limitations and requirements of Iran, Pakistan, and Turkey. The organization however later was dissolved in 1979 as it failed to provide a workable format for widening the trade prospects among RCD member states. The political instability in Iran following the 1979 revolution and Iran's ensuing war with Iraq were also major factors for the collapse of the organization.

The 1979 revolution in Iran altered the then status quo and the anti-US assertiveness of the revolution further changed the foreign policy outlook of Iran. Although, Pakistan's close engagement with the Sunni monarchs and the West caused some strain in the relationship Iran and Pakistan cooperated in supporting the Afghan mujahideen groups to counter the Soviet threat throughout the 1980s. During the Soviet-Afghan war, Pakistan largely supported the Pashtun rebels and Iran backed the Shia Tajik rebels and the Hazaras although all the groups were largely fighting against the Soviet Union. Post-Soviet withdrawal from Afghanistan the Afghan mujahideen broke into several factions. Pakistan supported the Taliban in Afghanistan and Iran opposed the Taliban. The active role of Shia militants in Pakistan remained a concern for Pakistan and the Taliban's capture of Mazar-e-Sharif and the hostage crisis in 1998 in which Iran held Taliban forces responsible for the death of Iranian diplomats further increased the tension between both.

Post-9/11 there have been reports suggesting a tactical understanding between Iran and the Taliban. The US pressure on Saudi Arabia has limited Riyadh's engagement with the Taliban and Saudi Arabia has also had strong disagreements with Qatar where the senior leaders of the Taliban maintain their political office. Qatar's engagement with Tehran have to an extent helped Iran to engage with the Taliban. There also have been reports suggesting that the Haqqani Network that traditionally maintained strong ties with Pakistan is now closely engaging with Iran. Iran is keen on keeping a favorable balance of power in Afghanistan.

# **The Challenges and Inconsistencies of the Iran-Pakistan Relationship**

Written by Nadeem Ahmed Moonakal

One of the major progress in the Pakistan-Iran relationship perhaps would be the Iran-Pakistan gas pipeline project. The Iran-Pakistan gas pipeline was seen as a crystallizing point which again halted as the deal faced multiple hindrances in the form of US displeasure and an economic crisis in Pakistan. The deal came into much more prominence in 2010 when both Iran and Pakistan finalized a multibillion-dollar project. The 7.5-billion-dollar project allowed Iran to supply Pakistan with up to 750 million cubic feet of gas daily. The Preferential Trade Agreement signed by both Iran and Pakistan in 2004 can be seen as another significant attempt to improve the bilateral trade between Iran and Pakistan. Some of the core objectives of the agreement included increasing the volume of trade between both the parties, promoting sustainable growth between both the parties, facilitating diversification of traded products and to remove barriers of trade between both the parties.

As per reports, Pakistan is Iran's eighth-largest trading partner and major exports of Pakistan to Iran include rice, meat, fruits, textiles, and paper. Whereas Iran's major exports to Pakistan include oil, minerals, steel, organic chemicals, and plastic. The bilateral trade between Iran and Pakistan fell from 1.32 billion USD in 2008–2009 to 432 million USD in 2010–2011 because of the sanctions posed by the United Nations, US, and the European Union on Iran amid the suspected nuclear program of Iran. Several attempts by Iran and Pakistan to stabilize their economic engagement were hindered at the backdrop of sanctions on Iran and the Pak-Iran economic ties often succumbed to the limitations posed by external sanctions on Iran.

Iran and Pakistan in the recent past have had more divergences than convergences. Both countries have attempted to increase the bilateral trade and have identified economic engagement as a key factor in their relationship. However, regional security dynamics becomes a challenge in their bilateral engagement. Both the countries have been accusing each other of not taking adequate measures to stamp out militants sheltering across the borders. Iran has also warned Pakistan over the inaction against state-sponsored terror activities emanating from Pakistan.

Iran's skepticism towards Pakistan because of a close relationship with Saudi Arabia to an extent restricts the options and opportunities for both the countries to engage actively but recently there have been indications to reaffirm their commitment to work towards accentuating bilateral trade especially in the agricultural sector. Moreover, Tehran has also shown interest in the China-Pakistan Economic Corridor (CPEC) intending to expand the trade by improving railways and road connectivity. In 2016, Iranian President Hassan Rouhani expressed the desire to join CPEC during his meeting with the then Pakistani Prime Minister Nawaz Sharif on the sidelines of the UN General Assembly session. Although Iran intends to be a part of CPEC for wider engagement the pressure on Pakistan from Washington and Riyadh might not allow active participation of Iran in the project.

Both countries have on different occasions made significant efforts to prioritize economic engagement. However, Iran-Pakistan bilateral relationship has largely been inconsistent and despite a huge potential to widen the economic engagement the bilateral trade remains to be hindered primarily by the US pressure on Pakistan. The US decision to withdraw from JCPOA and the killing of General Qassem Suleimani also adds to the tension in the Pakistan-Iran ties. Pakistan faces a severe dilemma as it can neither overtly side with the US nor can support Iran as both the options will lead to far-reaching consequences for its security and economic growth.

Furthermore, Pakistan faces serious challenges in advancing cooperation with Iran especially when Pakistan has to balance the relation between Saudi Arabia and Iran. The security situation in Balochistan and Pakistan's military assistance to Saudi Arabia amid Iran-Saudi Arabia proxy wars in the region makes it a tough situation for Pakistan and Iran to widen the prospects of their engagement or diversify it to other domains. In the current context, Pakistan is also pushed to a difficult position as for Pakistan the engagement with Iran should not potentially hinder its relations with Saudi Arabia and the United Arab Emirates since Pakistan remains to be dependent on these regional rivals of Iran to keep its economy afloat.

---

**About the author:**

# **The Challenges and Inconsistencies of the Iran-Pakistan Relationship**

Written by Nadeem Ahmed Moonakal

**Nadeem Ahmed Moonakal** is a researcher at the International Institute for Iranian Studies, Riyadh. He writes on the security and political developments in the Middle East and South Asia and his research focuses on the emerging geopolitics of the Middle East.