

Arab League Reunion, China's Influence, and the Future of Pak-Iran Relations

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Introduction

The 19th of May 2023 is a significant date in international diplomacy. This is because these three significant events took place in various parts of Asia with distinct agendas and diplomatic settings, G7 in Japan, China-Central Asia Summit in Xian, and Arab League Summit in Jeddah. In each of the three situations, China was the only common factor. China was the target of a barrage of diplomatic bullets at the G7 Summit, while a photograph of Deputy Emir of Mecca Prince Badr bin Sultan bin Abdulaziz greeting Syrian President Bashar al-Assad, who visited Saudi Arabia after a 12-year hiatus, illustrates how much change has occurred in the Middle East as a direct result of Chinese-led initiatives. Syria was readmitted to the Arab League after an absence of eleven years, with President Bashar al-Assad attending the Jeddah summit. The event occurred after Iran and Saudi Arabia's historic decision in March to restore diplomatic relations. The kingdom has also advocated for peace initiatives in Yemen to end the conflict there. The normalisation of relations between these nations would open up 'new opportunities' for Pakistanis and the people of the region.

Why did the Arab States Incorporate Syria in the Arab League?

There are numerous plausible reasons why the Arab states are eager to incorporate Syria into their communities. One is to cultivate a more expansive atmosphere of detente. The Riyadh and Tehran reached an agreement in March to restore diplomatic relations and reopen embassies. After years of proxy wars in Syria and Yemen, both

countries appear to have buried the past. Due to their respective economic crises, Turkey and Egypt are attempting to end a decade of animosity. Gulf states have lifted their embargo against Qatar, which had little effect. Former adversaries across the region are eager to portray themselves as allies.¹

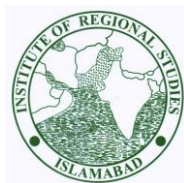
When it comes to Syria, however, they demand a greater exchange. Its neighbours aspire to rid themselves of millions of refugees. The roughly 2 million inhabitants of Lebanon, out of a total population of 5 million, are viewed as a burden and unjustly blamed for the country's economic collapse. In Turkey, sentiments have also become hostile. If elected, Kemal Kilicdaroglu, the leading opposition candidate in the May 26 election, has sworn to expel all Syrians within two years.

In addition, the West hopes that by appeasing Syria, it will be able to control its Captagon trade. Syria has become the world's leading producer of Captagon, a popular recreational amphetamine in the Gulf region. Frequently, the magnitude of the Captagon's traffic is exaggerated. Unverified estimates place its annual value at \$57 billion. The actual number is probably an order of magnitude fewer, but it is still sufficient to rank as Syria's leading export. Syria's readmission to the Arab League was welcomed by Pakistan, which hoped that peace initiatives in the Middle East would create prosperity for the region.

Emerging Scenarios

According to Parag Khanna's book *The Future is Asian*, the world became Europeanized in the nineteenth century, it was Americanized in the 20th century, and Asianization is on the rise in the twenty-first century.² Before European colonialism

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and American hegemony, Asia was swiftly returning to centuries-old patterns of commerce, military, and cultural interaction. Asians will control their destiny and as they push their group interests globally, they will also influence ours. The current state of world politics revolves around Asia's geostrategic, geopolitical, and geo-economic relevance. The changing dynamics of the world can be seen in events in South Asia.

A strategic partnership was established between China and Iran in 2021. The Middle East will benefit if Iran improves its relations with Middle Eastern states, particularly, the UAE and Saudi Arabia, under China's live and let live strategy. Despite not being a member of the Arab League, Iran has amicable relations with its members. Since Iran and Arab League members signed a peace initiative sponsored by China, things have changed significantly for the better as evidenced by Syria's respectful readmission to the League. A multilateral economic zone has been formed extending from Central Asia to the Middle East by the Iran-China Comprehensive Strategic Partnership and Iranian support for the Gwadar Port operated by China, with Pakistan as its principal link. The importance of the China-Pakistan Economic Corridor (CPEC), which is now China's safest route to the Middle East and Africa, has increased as a result of the US's extensive presence in the Indo-Pacific through the Quadrilateral Security Dialogue (Quad) and the grouping of Australia, the UK, and the US (AUKUS).³

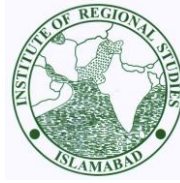
The consolidation of diplomatic ties between China, the Central Asian Republics, Iran, Pakistan, the United Arab Emirates, and Saudi Arabia is deemed an 'interesting development' by European media, indicating that the entrance of China as a 'deal-initiator' in the Middle East can lead to a 'Changing Asia' in which countries, while maintaining their regional objectives, appear determined to move towards a strategic partnership, if not a formal alliance. Though China did not attend the Arab League Summit, as Ukraine did through President

Volodymyr Zelenskyy, in a letter to the Arab League, Chinese President Xi referred to Saudi Arabia as a significant force in a multipolar world and noted Saudi Arabia's positive contributions to bolstering Arab solidarity and coordination and preserving peace and stability in the Middle East. Pakistan, the oldest and most solid partner of China, Saudi Arabia, and the UAE, has the most opportunities if it plays well and quickly completes CPEC meet China's timeline, because it is the quickest and safest way for China to reach the Middle East and Africa. Middle Eastern and Gulf countries like Saudi Arabia and the United Arab Emirates have already expressed their support for CPEC, recognizing that it provides new prospects for economic, commercial, logistical, and regional connectivity.⁴

Future Prospects for Pakistan-Iran Relations

Pakistan maintains friendly relations with Saudi Arabia, the United Arab Emirates, and other Middle Eastern countries and it has regularly volunteered to intervene between conflicting governments in the region. Middle Eastern countries such as Saudi Arabia and the United Arab Emirates are not only important investment partners for Pakistan but also key sources of remittances. The normalisation of relations between Iran, Saudi Arabia, Syria, Qatar, and the United Arab Emirates is a very beneficial development for Pakistan, which has been seeking to find a balance in its relations with all of these previously antagonistic countries. On 18 May 2023, a day before the Arab League Summit, Pakistani Prime Minister Shahbaz Sharif and Iranian President Ebrahim Raisi jointly launched a supply route from Iran to Gwadar Port. Gwadar Port, which manages this deep-sea port, is widely known to be a dream project for China. The port's capacity has grown to 204 megawatts after previously receiving 100 megawatts per day from Iran.⁵

The terminals of Gwadar and Chabahar can complement one another through cooperation. In



addition, more CPEC partners would result in less Chinese dominance. Pakistan will benefit from the expansion of business by gaining more jobs and money. The Iranian and Pakistani governments have acknowledged that their bilateral trade in food and medication is insufficient. Regional organisations such as the Economic Cooperation Organization (ECO) and the Organization of Islamic Conference (OIC) can only function effectively with aspirational and skilled leadership. This group should include private business proprietors in its search for new western and northern markets. Pakistan lacks the means to implement ambitious infrastructure plans, such as the 6,500-kilometer Islamabad-Tehran-Istanbul (ITI) container railroad corridor connecting Europe and Central Asian nations. To quickly implement these ideas and bolster its economy, it must adopt a pragmatic approach and enlist the aid of innovative nations.⁶

After imposing sanctions on Tehran, the US government has decided to allow eight nations to continue purchasing Iranian crude, including close partners South Korea and Japan, as well as India, Turkey, China, Italy, Greece, and Taiwan. All of Asia's largest oil consumers have asked for sanctions exemptions to continue purchasing a portion of Iran's oil. They have argued that a total ban would cause the price of crude oil to increase even further. The exemptions granted to these eight nations demonstrate the market's dependence on Iranian oil and the impossibility of removing it. Pakistan can purchase cheap oil from Iran using a waiver strategy. Pakistan must persuade the United States to grant Pakistan waiver authorization so that we can conclude our Peace Pipeline with Iran, which is delaying us and could potentially cost us an \$18 billion fine.⁷ If the United States is unwilling to grant Pakistan a waiver, it should pay our sanction on the gas pipeline and meet our energy requirements. Due to the expensive price of oil on the global market, Pakistan must import oil to survive.⁸ The American sanctions strategy would have a significant impact on

Pakistan regardless of the waiver. Iranian oil is preferred because it is economical and compatible with numerous refineries' technical configurations.

To stabilize its economy and reduce its reliance on dollar trade, Pakistan has authorized barter commerce with Iran, Afghanistan, and Russia. The Barter Trade Mechanism will allow public and private enterprises to do business-to-business (B2B) transactions with all three countries. Pakistan can acquire access to critical items and services without relying on the US dollar by engaging in barter trade with Iran and Russia. This could boost Pakistan's overall commerce volume with regional countries by providing a more effective way of trading goods and services without the use of cash. Furthermore, Pakistan will be able to overcome challenges posed by a lack of banking links with Iran and Russia. This is especially crucial in light of Islamabad's aim to shift a considerable chunk of its oil purchases to Russia. Smuggling via Pakistan's borders with Iran and Afghanistan is massive. This illegal trading causes huge financial losses. According to sources, illegal Iranian oil has seized 25-30 per cent of Pakistan's diesel market.⁹ The smuggling of fertilizer, sugar, and wheat to Iran and Afghanistan has added to Pakistan's difficulties. The Afghan Taliban's banning of the Pakistani Rupee as legal cash in Afghanistan has exacerbated the contraband situation, forcing exporters to transact in dollars. By minimizing the costs involved with traditional trade, the barter system can help to eliminate smuggling. It may become a more appealing alternative for merchants in both countries.

Conclusion

Whatever developments are currently taking place in the international diplomatic arena are directly or indirectly tied to the script written by 'New China' in 1949, which emphasizes the idea of delivering chances rather than threats. This script is divided into two parts: 'set up a separate kitchen' and 'sweep the house clean before inviting guests'.



Academics of international relations believe that establishing a separate kitchen means offering a different set of rules to the outside world that is not necessary for domestic prosperity, allowing China to become a part of the capitalist world while maintaining its socialist economic design, whereas sweep the house clean before inviting guests refers to improving the capacity to deal with the capitalist world before entering the global market.

The Arab Summit 2023 was a manifestation of working together for harmony, peace, and mutually beneficial cooperation, and the entire world now recognizes that offering chances rather than

threats is the driving factor behind economic growth. These developments present Pakistan with numerous opportunities, including bringing the Muslim world closer together for the cause of Kashmir and Palestine, ensuring the success of CPEC and China's Belt and Road Initiative (BRI), increasing trade, and improving overall regional security. The reunion may help reduce religious tensions among Pakistan's population, which is made up of 20 to 25 percent Shia. The variety of Pakistan and its historical ties to both Tehran and Riyadh can help to strengthen regional peace and diplomacy between Iran and Saudi Arabia.

Notes and References

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