

# Emerging Sino-Iranian Strategic Relations and Opportunities for Pakistan

*Dr Asia Mukhtar\**

*Dua Hamid\*\**

## ABSTRACT

*With two of Pakistan's neighbours, China and Iran signing a deal of cooperation, the evolving situation appears to be promising for Pakistan. From the perspective of the Regional Security Complex Theory (RSCT), as proposed by Barry Buzan, the states with territorial and geographical proximity have security perceptions and problems that are intertwined in such a complex manner that they cannot be understood in distinction. Furthermore, as the RSCT widens the dimension of security to include the economic, political and societal dimensions in addition to the military security, the opportunities for Pakistan in this situation can improve the 'comprehensive' notion of security. On the political front, the deal provides a chance to Pakistan to improve relations with Iran that remain strained for the past few years over border issues and Pakistan's tilt towards Saudi Arabia. Furthermore, as a stable Iran-Pakistan border is a sine qua non for the stable and successful progression of the BRI project, of which the CPEC is a flagship part, there are also chances of enhanced security cooperation between Iran, China and Pakistan. Additionally, the withdrawal of India and its replacement with China in the Chabahar port of Iran also indicates an improved environment for the national security of Pakistan with the reduced chances of fuelling Baloch separatists. With Iran's capability of exporting electricity to Pakistan along with the potential of increased energy cooperation between the three states, the Sino-Iranian deal can plausibly alleviate the looming energy crisis of Pakistan. Additionally, while Iran-Pakistan trade could be bolstered, owing to its strategically significant position on the transit of pipelines between China and Iran, Pakistan can also renegotiate more favourable terms of trade with China- thus leading to improved economic conditions. With these opportunities at hand, to what extent Pakistan can reap the most benefits, however depends on Pakistan's apt policy-making and pertinent actions.*

**Keywords:** *China-Iran Deal, RSCT, Security, Economy, CPEC*

---

\* The Author is Assistant Professor of International Relations Department, at Kinnaird College for Women, Lahore

\*\* The Author is Lecturer of Sociology at Beaconhouse College Program, Lahore

## **INTRODUCTION**

Since the most primitive of times till the present advanced age, security has been an indispensable aspect of lives of not only individual humans, but also of their tribes, cities or nation-states. The pragmatic notion of security points towards defence against a physical or military assault. In the post-Cold War era, there is an increased attention towards an all-encompassing notion of security, as it will be discussed in the following sections. Additionally, for ensuring and enhancing security, states have been engaging in alliances with other actors that could provide the desired material, be it goods, diplomatic assistance or financial aid. With the exception of engagement of extra-regional major powers, many times states try to look for allies within their geographical proximity, which adds to the regional level of security analysis. In the deal signed between Iran and China in 2021, while there are bright prospects for the partisans of the agreement, there is also a chance of improving the overall regional security situation. However, as China is considered a part of East Asia and Iran is a Middle Eastern state, the increased magnitude of relations could also indicate towards the formation of an Asian Super-complex, as mentioned by Barry Buzan and Ole Weaver in the Regional Security Complex Theory.<sup>1</sup> Furthermore, as both China and Iran happen to be the neighbouring states of Pakistan, Pakistan can also have substantial gains owing to its geostrategic location.

This study aims to highlight the possibility of emergence of an Asian super-complex considering the increasing involvement of China in South Asia and Middle East. Secondly, the study identifies the opportunities for Pakistan given the developing strategic relations between Iran and China. The main focus will be on how the development of relations between Iran and China contribute in enhancing economic, energy, and environmental as well as socio-political dimensions of security for Pakistan. The last section sheds light upon the challenges that Pakistan might face, as well as the recommendations to capitalize on the emerging strategic relations in the region.

## **REGIONAL SECURITY COMPLEX THEORY**

Security is one of the central concepts in the field of international relations. While for most part of the history, security has been synonymized with military defence of the

---

1 Barry Buzan, *“Regional Security Complex Theory in the Post-Cold War World”* in *Theories of New Regionalism*, ed. Fredrik Söderbaum and Timothy M. Shaw (London: Palgrave Macmillan, 2003), 140-159.

state, the end of the Cold War witnessed the emergence of a debate between the ‘narrowers’ and ‘wideners’ of security. With the narrowers adhering to the traditional concept of state security (focusing on military security and political stability), the wideners focused on other aspects such as economy, society, environment and energy security. The Copenhagen School of Security Studies has been a leading school of thought in widening the concept of security to adopt a more comprehensive notion that encompasses all the above-mentioned aspects.<sup>2</sup>

Furthermore, as Barry Buzan and Ole Weaver have emphasized on levels of analysis other than the state, such as regions and the global level, they have also proposed the Regional Security Complex Theory (RSCT). According to this theory, regions are defined as spaces where the states or other units are so closely linked together that their security cannot be comprehended in a distinct manner.<sup>3</sup> Additionally, security complexes have been characterized as regions that are viewed with a lens of security. The prime reason for highlighting the aspect of security in regions is the fact that threats transmit in adjacent and geographical areas with high levels of proximity more easily as compared to more distant areas. While the economic sector is relatively less affected due to geographical proximity, there is a high level of security interdependence in cases of political, societal and environmental sectors.

According to the proponents of the RSCT, while there is an increased level of security interdependence in intra-regions, the same dramatically drops in case of inter-regional issues. However, an exception is given to the regions with a greater involvement of Great Powers. This is due to the fact that the Great Powers do not aspire to be constrained and limited within a single regional complex; thus, as they proliferate their engagement beyond a regional complex, the inter-regional security dynamics become more intertwined. Such complexes with the involvement of Great Powers, the transformation of external boundaries and the enhanced interaction with other regions have been categorized as Super-complexes.<sup>4</sup>

---

2 Barry Buzan, Ole Weaver and Jaap de Wilde, *Security: A New Framework of Analysis*, (London: Lynne Rienner Publishers, 1998). 3-45.

3 Barry Buzan and Ole Weaver, *Regions and Powers: The Structure of International Security*, (New York: Cambridge University Press, 2003). 40-83.

4 Barry Buzan and Ole Weaver, *Regions and Powers: The Structure of International Security*, (New York: Cambridge University Press, 2003). 40-83.

## **AN ASIAN SUPER-COMPLEX**

In the book, 'Regions and Powers: The Structure of International Security', Barry Buzan and Ole Weaver have highlighted the prospects of emerging of an Asian Super-complex, given the magnitude of Chinese involvement in South Asia and the Indian involvement in the East Asian region. However, the same book rules out the possibility of adding the Middle Eastern region in the Asian supercomplex, because none of the predominant Asian powers (China and India) had exhibited any pattern of engagement with the region.<sup>5</sup> A decade later, in 2012 Barry Buzan had affirmed the emergence of an Asian Super complex owing to the continuous rise of China, the engagement of China in South Asia and India in East Asia, and the persistent involvement of USA in both the regions.<sup>6</sup>

The prospects of involvement of the Middle East in this Asian Super-complex were yet again side-lined. In the contemporary scenario, the engagement of China has moved beyond East Asia and South Asia and has become actively visible in the Middle Eastern region.

While China's military engagement in the Middle East has been negligible, its economic connections have been increasing robustly under the Belt and Road Initiative. Most recently, the Sino-Iranian Comprehensive Strategic Partnership that encompasses a wide range of domains including energy security, military and defence cooperation and economic engagement indicates towards the growing role of China in the Middle East, that is bound to have political as well security implications in the longer run. China's ambitious engagement, India's aspirations as well as the persistent involvement of United States of America (USA) in East Asian, South Asian and Middle Eastern politics has the potential of bringing about an external transformation in the above-mentioned security complexes to fuse the three into a larger Asian Super-complex.

## **HISTORICAL BACKGROUND OF THE SINO-IRANIAN COMPREHENSIVE STRATEGIC PARTNERSHIP**

With a background of normal diplomatic, political and economic bilateral relations in the 20<sup>th</sup> century, the Sino-Iranian relations got a boost in the decade of 1990's as the Chinese

---

5 Barry Buzan and Ole Weaver, *Regions and Powers: The Structure of International Security*, (New York: Cambridge University Press, 2003). 95-180.

6 Barry Buzan, "The Geopolitical Construction of the World: A Reflection Ten Years On from *Regions and Powers*", *Politique étrangère* (2012). 331-344.

economy opened up as a result of the policies of Chinese Premier Deng Xiaoping. As the market economy reforms bolstered the economic, technological, agricultural and scientific development in China, this unleashing economic power became hungry for fuel resources. For this, Iran with its massive oil and natural gas resources appeared to be a lucrative opportunity. China's quest for energy resources coincided with the Iranian quest for a market for its abundant resources as Iran had been facing constraints in the global market due to the recurrently imposed sanctions since 1979.<sup>7</sup>

As documented by Cordesman, in the first two decades of the 21<sup>st</sup> century, the Sino-Iranian relations have improved significantly in the sectors of bilateral trade, foreign direct investment, joint military exercises and arms trade. In absolute terms, while the enhanced cooperation appears to be providing dynamic opportunities to Iran, where it is portrayed with a more optimistic lens, the case changes when viewed in relative terms, as Chinese economic investments, cooperation and infrastructure projects are not only limited to Iran. Rather, in the case of its neighbours such as Saudi Arabia, UAE, Pakistan and Turkey, the Chinese investments are far more as compared to Iran.

One of the main obstacles in the way of the Sino-Iranian relations has been the US sanctions on Iran that have not only deteriorated the bilateral trade between both the states but has also constrained and restrained the amount of net capital flow and investment from China into Iran, despite Iran's geopolitically significant location for China.<sup>8</sup>

This impediment of international sanctions was effectively removed in 2015 under the JCPOA. While sanctions have been imposed on Iran for a multitude of reasons including the 1979 Iranian seizure of American diplomats and the allegations of support of international terrorism; the most prominent cause of sanctions has been the Iranian uranium enrichment program and the concerns over its nuclear program. This concern was dealt with in the P5+1 talks held in 2015 between Iran, the five permanent members of the UN Security Council (China, France, Russia, Britain and USA) plus Germany with the European Union. As a result of the 20 months long deliberations, the Joint Comprehensive Plan of Action was adopted under which Iran agreed to limit its uranium enrichment activities in accordance with the guidelines of IAEA, in return of which the imposed sanctions on Iran would be

7 Scott Harold and Alireza Nader, "China and Iran: Economic, Political and Military Relations", *RAND Corporation* (2012). [https://www.rand.org/pubs/occasional\\_papers/OP351.html](https://www.rand.org/pubs/occasional_papers/OP351.html)

8 Kulsoom Belal, "China-Iran Relations: Prospects and Complexities" *Policy Perspectives* 17, no. 2 (January 1, 2020): 47-66

lifted and its frozen assets would be released.

In the immediate aftermath of the JCPOA, Iran was paid an official visit by the Chinese Premier XI Jinping and over 17 agreements were concluded to enhance bilateral cooperation in the economic, technological and even nuclear energy sectors. The deal also visualized the ambition to bolster bilateral trade from \$52 billion to \$600 billion over the span of the next decade.<sup>9</sup> However, before the deal could exhibit some substantial outcomes, within the short span of 2 years, it hit a rough patch as USA unilaterally withdrew from the JCPOA and re-imposed sanctions on Iran under the Trump administration in 2018. The recent Comprehensive Strategic Partnership between China and Iran is visualized as the rejuvenation of the 2016 agreement.

## **CHINA-IRAN COMPREHENSIVE STRATEGIC PARTNERSHIP AND THE EMERGENCE OF ASIAN SUPER-COMPLEX**

On 27<sup>th</sup> March 2021, the Chinese Foreign Minister, during his visit to Iran, concluded a large-scale investment agreement with the latter. The much-hyped deal took the international media by storm as speculations were made about a ‘paradigm shift in Middle Eastern politics’, ‘a strategic alliance that could threaten the US interests’ or a ‘military alliance with prospects of damaging regional stability’.<sup>10</sup> According to the agreement, China has agreed to invest about \$400 billion in Iran over the course of the next 25 years, due to which, the deal is also termed as ‘Deal of the Quarter Century’.<sup>11</sup> Aiming at cooperation across a wide range of sectors from energy resources, infrastructural development, banking sector collaboration, formation of specialized economic zones, incorporation of Iran into the Belt and Road initiative, the deal is expected to be a win-win situation for both, China and Iran in bilateral, regional and global affairs. The leaked draft document has also highlighted prospects for defence cooperation through arms trade, joint military exercises, intelligence sharing and

---

9 Steve Mollman, “Iran plans to boost trade with China by about 1,000% over the next 10 years”, Quartz (January 2016)<https://qz.com/601831/iran-plans-to-boost-trade-with-china-by-about-1000-over-the-next-10-years/>; Government of Islamic Republic of Iran. “Full text of Joint Statement on Comprehensive Strategic Partnership between I.R. Iran, P.R. China.” Official website of the President of the Islamic Republic of Iran. <https://www.president.ir/EN/91435>

10 Farnaz Fassihi and Steven Lee Myers, “Defying U.S., China and Iran Near Trade and Military Partnership”, *The New York Times*, September 2021, <https://www.nytimes.com/2020/07/11/world/asia/china-iran-trade-military-deal.html>

11 Farnaz Fassihi and Steven Lee Myers, “China, With \$400 Billion Iran Deal, Could Deepen Influence in Mideast”, *The New York Times*, March 2021, <https://www.nytimes.com/2021/03/27/world/middleeast/china-iran-deal.html>

collaboration for dealing with international organized crimes such as human trafficking, drug trade and international terrorism.<sup>12</sup>

Regarding the deal, a broad range of opinions has surfaced, with some understanding it as only a natural evolution of bilateral relations and the others commenting on it as a paradigm strategic shift. The Iranians have been highly enthusiastic regarding the partnership with its politicians naming China as the friend of hard times.<sup>13</sup> Shaking their hands with the East while keeping eyes on the West, Iranians have also remarked that the deal is a warning for the USA,<sup>14</sup> provides a channel to Iran to dodge the American imposed sanctions. It also gives a breathing space to the sanctions-stricken Iranian economy. Furthermore, a long-term steady oil market for Iranian oil exports, allows Iran to slip away a from being succumbed by USA trying it to give up its uranium enrichment programs.<sup>15</sup> In this regard, the Chinese deal provides a degree of economic security to Iran against the straining American pressure.

On the other hand, Chinese officials and news sources have refrained from paying any extra-ordinary attention and have emphasized on it as a diplomatic event while highlighting the role of China in assisting weaker states in combating the drastic effects of the Covid-19.<sup>16</sup> Offering mediation for the Israel-Palestine issue and provision of cooperation for the improvement of Gulf security conditions, China has been interested in portraying itself as a viable alternative to the American presence and engagement in the region. When questioned about the details of the agreement, the Chinese foreign minister remarked that the ‘deal does not include any quantitatively specific contracts, goals or targets’.<sup>17</sup>

In case of China, the benefits are more qualitative as compared to quantitative. Chinese gains come from enhancing its role in Middle Eastern affairs in a time when the USA is relatively cutting off its engagement in the region. Additionally, by assisting Iran in warding

12 Lucille Greer and Esfandiyar Batmanghelidj, “Last Among Equals: The China-Iran Partnership in a Regional Context,” Occasional Paper Series (September 2020): 1-48

13 “Zarif says China is ‘friend of difficult days’”, Tehran Times, March 27, 2021 <https://www.tehrantimes.com/news/459287/Zarif-says-China-is-friend-of-difficult-days>

14 “Iran-China 25-year comprehensive plan for co-op proves failure of efforts to isolate Iran: government”, Tehran Times, June 23, 2020. <https://www.tehrantimes.com/news/449174/Iran-China-25-year-comprehensive-plan-for-co-op-proves-failure>

15 “The China-Iran Axis,” Wall Street Journal, March 30, 2021 <https://www.wsj.com/articles/the-china-iran-axis-11617059716>

16 Mercy A. Kuo, “China-Iran Strategic Cooperation: Symbolism Vs. Substance”, The Diplomat, May 2021, <https://thediplomat.com/2021/05/china-iran-strategic-cooperation-symbolism-vs-substance/>

17 Shannon Tiezzi, “What’s in the China-Iran Strategic Cooperation Agreement?” The Diplomat, March 30, 2021 <https://thediplomat.com/2021/03/whats-in-the-china-iran-strategic-cooperation-agreement/>

off the pressure campaign of the USA, China is challenging American supremacy in the region. Moreover, by assisting Iran in the development of Jask Port, China is able to counter the Indian influence that had been on an incline in Iran due to the cooperation for the development of the Chabahar port. Simultaneously, China can stall the Indian efforts of gaining a passage to the Central Asian Republics through Iran. While indicating the intention to engage other regional partners such as Pakistan, China is also facilitated in its capacity to counter the development of 'Quad'.<sup>18</sup> Thus, for China, the engagement in the Middle Eastern affairs through the Strategic partnership with Iran is yet another elucidation of its major power role, aimed at global hegemony against the USA. One thing that would not be an exaggerated analysis is that the deal signifies a significant level of improvement in relations between China and Iran.

The dramatic improvement of Chinese relations with the Middle Eastern states, more specifically Iran after the CSP agreement indicates the plausibility of emergence of an Asian Super-complex that extends from East Asia, incorporates South Asia and reaches Middle East. Prior to China's 'March West' foreign policy approach, there had been negligible security contact between East Asia and Middle East. However, the Chinese engagement simultaneously in South Asia and Middle East through the Belt and Road Initiative directly intertwines the economic security of the member states of the project. Furthermore, even if momentarily China has refrained from military engagement in any of the regions, it is highly unlikely that China would be able to demonstrate and maintain the level of strategic and military aloofness given its high levels of economic stakes in the Middle East and South Asia. Thus, as the security interests of China become intertwined with the state stakeholders in BRI, the emergence of an integrated Asian Super-complex would not be questionable.

## **PROSPECTS FOR PAKISTAN IN THE EVOLVING STRATEGIC SITUATION**

In case an Asian Super-complex appears to be emergent in the light of the Sino-Iranian deal, there will be significant implications for Pakistan that might range from some dynamic opportunities to critical challenges as well. As both the states have expressed willingness to cooperate and collaborate in a wide range of sectors in bilateral, regional and global affairs, it highlights some dynamics prospects and opportunities for Pakistan- the state that is geo-strategically significant owing to its location between the two partisans of the agreement.

---

18 Anthony Cordesman, "China and Iran: A Major Chinese Gain in "White Area Warfare" in the Gulf," *Center for Strategic and International Studies*, March 2021 <https://www.csis.org/analysis/china-and-iran-major-chinese-gain-white-area-warfare-gulf>

## Energy Security

Energy Security refers to the “adequate and reliable supply of energy resources at a reasonable price”.<sup>19</sup> Despite being a comparatively nascent concept, the significance of energy security in a globalized and technologically advanced world is unchallengeable. Due to the rapid growth of human population and cut-throat economic competition at global level, energy security has become a priority for almost all the governments across the world because energy security is considered as the spine of economic structure of a country.<sup>20</sup>

Considering the fact that Pakistan’s energy resources are neither sufficient for local demand, nor are they available at an affordable price, it is easy to deduce that Pakistan is an energy insecure state. Pakistan’s energy mix mainly comprises of non-renewable thermal resources which include coal, oil and natural gas. While Pakistan has been importing over one-third of its energy requirements, the trend of import is on a rise. For the Fiscal Year 2022, the imports of crude and refined products have increased by 5 percent and 28 percent respectively.<sup>21</sup> The excessive energy imports of Pakistan have given birth to the challenge of circular debt which stands up to US \$ 2467 billion in 2022. The circular debt costs about 3.8 percent of GDP of Pakistan and about 5.6 percent of the total debt of the government of Pakistan.<sup>22</sup>

With scarce local oil resources, the indigenous oil sector of Pakistan is also marred with technological, technical and fiscal challenges. Resultantly, over 85 percent of oil consumed in Pakistan is imported. Additionally, due to the depreciation of Pakistani Rupee as well as the sharp increase in oil prices in the global market due to the Russia-Ukraine War, the bill of oil imports has increased by 95.9 percent to an amount of \$ 17.03 billion in April 2022.<sup>23</sup> In case of natural gas, the discovery of local gas reserves had increased the share of LNG in the local energy mix.

19 Owain Jones and Paul E. Dodds, “Definitions of Energy Security”, *A H2FC SUPERGEN White Paper*, (March, 2017): 22-34. [https://discovery.ucl.ac.uk/id/eprint/10087004/6/Dodds\\_IMPJ5213-H2FC-Supergen-Energy-Security-032017-Chapter%202.pdf](https://discovery.ucl.ac.uk/id/eprint/10087004/6/Dodds_IMPJ5213-H2FC-Supergen-Energy-Security-032017-Chapter%202.pdf)

20 Iram Khalid and Asia Mukhtar, “Energy Crisis: An Issue of Good Governance, A Way Forward,” *Journal of Political Studies* 23, no. 1, (2016): 101-116.

21 Salman Siddiqui, “Energy import bill likely to fall \$2.5b”, *The Express Tribune*, July 24, 2022. <https://tribune.com.pk/story/2367498/energy-import-bill-likely-to-fall-25b>

22 Israr Khan, “Circular debt at Rs2.467tr threatens power sector sustainability”, *The News International*, June 10, 2022. <https://www.thenews.com.pk/print/964747-circular-debt-at-rs2-467tr-threatens-power-sector-sustainability>

23 Ministry of Finance, “Chapter 14- Energy”, *Pakistan Economic Survey 2021-2022*. Government of Pakistan. [https://www.finance.gov.pk/survey/chapter\\_22/PES14-ENERGY.pdf](https://www.finance.gov.pk/survey/chapter_22/PES14-ENERGY.pdf)

However, the depletion of local gas reserves has led to an excessive dependency on gas imports as well. For the FY 2021, the LNG imports amounted to over US \$ 3.4 billion that corresponded to 30 percent of the total natural gas consumption in the state.<sup>24</sup> Despite the fact that Pakistan has abundant untapped indigenous coal reserves; yet a major challenge hinders the effective consumption of coal. The challenge is the low quality of coal which only leaves it suitable to be used in brick kilns. Resultantly, for power production, in thermal power plants, mainly imported coal is being used.<sup>25</sup>

Given the condition of growing energy demands and the swelling circular debt, Pakistan's energy security is in an alarming situation. In a bid to improve the energy security of the state, Pakistan has collaborated with China under the CPEC project. China has provided assistance by installing around 19 energy projects with a summed-up capacity of adding around 8995 MW in the electricity line of Pakistan.<sup>26</sup> As the Sino-Iranian Comprehensive Strategic Partnership is considered as the western extension of CPEC, there are a few main clauses if the leaked draft of the Sino-Iranian agreement which can facilitate energy cooperation between Pakistan, Iran and China. According to the agreement, CPEC will be used for transferring natural gas from Iran to China and Pakistan; China will provide assistance and support for production and transportation of energy between Iran and her neighbours; and lastly in an effort to revitalize the Iranian economy, joint power-plants and electricity lines will be constructed in Pakistan, Syria, Iraq and Afghanistan.<sup>27</sup>

The framework for energy cooperation between Iran and Pakistan has its roots in the Iran-Pakistan-India Pipeline (IPI) project of 1990's, that later shrank to Iran-Pakistan Pipeline project with the withdrawal of India.<sup>28</sup> Despite the fact that Iran had completed its part of the project by 2011, it could not have been functional till date due to the delays from the Pakistani side. With the allegations of uranium enrichment and nuclear proliferation by the Iranian regime, USA has placed sanctions on Iran- simultaneously pressurizing Pakistan to withdraw from the agreement. According to the Islamabad Policy Research Institute (IPRI),

---

24 Ministry of Finance, "Chapter 14- Energy", Pakistan Economic Survey 2021-2022. Government of Pakistan. [https://www.finance.gov.pk/survey/chapter\\_22/PES14-ENERGY.pdf](https://www.finance.gov.pk/survey/chapter_22/PES14-ENERGY.pdf)

25 "CPEC Energy Projects Update," *CPEC- Ministry of Planning, Development and Special Initiatives*, May 22, 2021. <http://cpec.gov.pk/progress-update>

26 Parvez Jabri, "13 energy projects under CPEC to add 8,995 MW electricity in national grid", *Business Recorder*, January 2, 2019. <https://www.brecorder.com/news/462754/>

27 Lucille Greer and Esfandyar Batmanghelidj, "Last Among Equals: The China-Iran Partnership in a Regional Context." *Occasional Paper Series* (September 2020). 1-48

28 Saad Shabbir and Vaqar Ahmed, "Trade with Iran: Prospects for Pakistan." *Criterion Quarterly* 10, no. 4 (February 1, 2016) <https://criterion-quarterly.com/trade-with-iran-prospects-for-pakistan/>

Pakistan's electricity production could increase by 4000 MW with the help of imported gas from Iran. Furthermore, this would also reduce the expenditure of importing the high-cost furnace oil that amounts around US \$ 2.3 billion.<sup>29</sup> Despite China initially expressing interest in the project, its involvement had been restrained due to the international sanctions on Iran.<sup>30</sup> However, the Article 8 of the recent Sino-Iranian Comprehensive Agreement expresses the commitment of both Iran and China to implement the project, irrespective of any illegal foreign pressure.

Oil is another significant energy resource in the triad of Iran, Pakistan and China. As previously discussed, Pakistan's indigenous oil resources are highly insufficient due to which it has to rely on imported oil. Over 75 percent of oil imports of Pakistan are from UAE and Saudi Arabia.<sup>31</sup> Two major issues have hindered Pakistani imports of Iranian oil: the pretext of American sanctions and the inability of Iran to export finished oil due to weak infrastructure. According to the Sino-Iran CSP, the Chinese massive economic investments in Iran will be reciprocated by the recipient in the form of oil at a heavily concessional rate.

Additionally, China has also expressed commitment to develop and modernize the oil sector of Iran in a bid to make the state able to export refined oil along with crude oil. Chinese involvement and improved Iranian capabilities can increase the prospects for Pakistan importing oil from Iran. So far, no framework has been finalized regarding the transfer or transportation of oil from Iran to China. However, with the intention of avoiding the Malacca Dilemma, there is a high possibility of construction of a pipeline from Gwadar to Xinjiang or the use of CPEC route. In both the situations as Pakistan would be the transit route for oil supply, it could bargain leverage for its geostrategic location by gaining concessions from Iran for oil at affordable rates.

As asserted by the third clause of the agreement, China will provide assistance for the construction of joint power plants and the transfer of electricity between Iran and Pakistan. In addition to the already developing power projects under the CPEC, import of electricity from Iran could relieve some more burden from the energy sector of Pakistan. Pakistan's import of electricity from Iran began in 2002 with a minimal amount of 34 MW of electricity

29 Muhammad Munir, Muhammad Ahsan and Saman Zulfiqar, "Iran-Pakistan Gas Pipeline: Cost-Benefit Analysis," *Journal of Political Studies* 20, no.2 (April 4, 2014) : 161-178

30 Muhammad Umar Farooq Baloch, "Pakistan-Iran Pipeline Project- A Liberal Perspective," *ISSRA Papers* 4, no. 2 (2012) :119-138.

31 Aamir Shafaat Khan, "Import of Iranian Oil still elusive", *DAWN*, July 18, 2015, <https://www.dawn.com/news/1195157>

which inclined up to 104 MW in 2020.<sup>32</sup> Furthermore, as asserted by the Iranian Premier in 2018, a 220 kv transmission line is being constructed between Gwadar and Chabahar ports. This transmission line has added around 300 MW in the electricity supply lines of Pakistan. Additionally, Iran has also expressed the willingness to export 3000 MW to Pakistan.<sup>33</sup>

## **Economic Security**

Economic Security is the sine qua non for national security in multiple aspects. As highlighted by Barry Buzan in the book, “Security: A New Framework for Analysis” a state needs economic security for the following reasons: for ensuring economic stability that would enhance the military security of state by providing access to advanced weaponry, for fulfilling its welfare role for the public, from being exploited in the international markets or by illicit trade activities and for being invulnerable to any possible international economic crisis.<sup>34</sup> From this perspective, the Sino-Iranian deal offers bright opportunities to Pakistan in multiple aspects, most specifically with regards to Balochistan.

With the largest geographical expanse and the scarcest of the population (below 5%) in Pakistan, Balochistan is province ridden with a complex myriad of challenges. The province Balochistan faces poverty that sky-rockets up to 47%, illiteracy above the national average and with over 90 percent of the population facing difficulty in gaining access to clean drinking water.<sup>35</sup> With the dearth of development and employment opportunities from the state, a large number of locals in Balochistan depend on illicit oil trade across the border with Iran as their livelihood. As discussed in the previous section, the government of Pakistan has recently begun a crackdown on the oil smugglers along the 900km of Pakistan-Iran border. While smuggling might negatively affect the economy of a state, this crackdown is expected to cripple down the livelihood of the families and communities residing near the border on both sides.

---

32 “Pakistan hoping to extend electricity imports from Iran,” *Islamic Republic News Agency*, October 29, 2020, <https://en.irna.ir/news/84092407/Pakistan-hoping-to-extend-electricity-imports-from-Iran>

33 “Pakistan vows to enhance energy cooperation with Iran,” *Islamic Republic News Agency*, July 12, 2021, <https://en.irna.ir/news/84401601/Pakistan-vows-to-enhance-energy-cooperation-with-Iran>

34 Barry Buzan, Ole Weaver and Jaap de Wilde, *Security: A New Framework of Analysis*, (London: Lynne Rienner Publishers, 1998). 3-45.

35 Asma Khan Kakar, “Major Problems in Balochistan ’Illiteracy and Unemployment,” *Daily Balochistan Express*, October 30, 2018, <https://bexpress.com.pk/2018/10/major-problems-in-balochistan-illiteracy-and-unemployment/>

According to the statistics from one district of Balochistan, as quoted by ‘The Diplomat’, the crackdown on oil smuggling would adversely affect over 9000 fishing boats, 54 fishing farms, 125 local trucks and over 25 inter-provincial buses- thus leading to the sudden unemployment of over thousands of people in the province.<sup>36</sup> In case the oil trade between Iran and Pakistan resumes under the Sino-Iranian deal, there are chances that the local population of Balochistan would gain economic opportunities without engaging in illegal activities.

Furthermore, the recent Iran-China deal has been viewed as ‘W-CPEC’- indicating towards the Western expansion of the flagship project of BRI. Initially, high expectations were associated with the CPEC project, considering it to be a game changer for Pakistan and also more specifically for Balochistan.<sup>37</sup> Under the CPEC, around 14 projects have been approved that range from the development of roads, schools, hospitals and specialized economic zones. With these developmental projects and the intensity of economic activity being spurred in the Balochistan, people expected that employment opportunities as well as living standards to rise dramatically. However this may not be the case as such elaborate projects take time to bear fruits.

Through the deal, there are prospects for improvement of trade relations between Iran and Pakistan that had been hitting a rocky patch since the imposition of sanctions on Iran. The bilateral trade peaked in the year 2010 when the amount crossed over \$ 1 billion, which has now declined to less than \$ 392million in 2018.<sup>38</sup> Apart from the import of oil, gas and electricity, Pakistan can benefit from trade with Iran in particular with regards to Balochistan. The cross-border trade with Iran would provide yet another economic activity for the poverty-stricken region; thus, alleviating the plight of the locals.

Last, but not the least, there are prospects of increasing cooperation between the Gwadar and Chabahar ports. As China has started developing the Gwadar port as a part of BRI, the Iranian Chabahar port came under focus and the initiation of developmental projects by India, as it too, sought to enhance its role as a major power. With India aiming

36 Mariam Suleiman, “How CPEC Left Behind the People of Gwadar.” *The Diplomat*, April 2021, <https://thediplomat.com/2021/04/whats-going-on-at-the-iran-pakistan-border/>

37 Fala Naz, “China-Pakistan-Iran Economic Corridor”, *The Diplomatic Insight*, October 2021, <https://thediplomaticinsight.com/china-pakistan-iran-economic-corridor/>

38 Iram Khalid and Faheem Ahmed Khan, “Iran Pakistan Relations: Convergences and Divergences in Present Political and Economic Developments.” *Journal of the Punjab University Historical Society* 33, No. 2 (2020) 119-135

to bypass Pakistan for its access to Afghanistan by the means of development of this port, it indicated a national security concern for the latter with its arch-rival establishing its presence on another border. Additionally, owing to the China-India and India-Pakistan rivalry, the parallel development of Gwadar and Chabahar hinted at competitiveness. However, as the ex-Iranian Premier, Hassan Rouhani had acclaimed the ports to be 'sister ports', with the Chinese involvement in both Gwadar and Chabahar ports can boost the trilateral economic cooperation.<sup>39</sup> In addition to the Chabahar port, China is also investing in the development of Bandar-e-Jask and Bandar-Abbas ports that provides easier access to the Strait of Hormuz that is the choke point for the global oil transit.<sup>40</sup>

While some analysts have been sceptical that the Chinese involvement in Iran might eclipse CPEC and Gwadar, that is not actually true. Gwadar, unlike Chabahar is a deep-sea port with the capacity of remaining operational throughout the year. Furthermore, Gwadar port has also provided a shorter route to Africa for the Chinese and Central Asian products. Thus, overall if partnership and cooperation is actually established between the Gwadar and Chabahar ports with Chinese assistance, the Asian supercomplex can turn into a regional geo-economic hub with Pakistan occupying a central significant geostrategic location that would enhance its own national economic security as well.

## **Political, Military and Societal Security**

The societal dimension of security is closely linked with political security, political ideologies and the social institutions that are reflected in the governments. Closely relevant, political security has been defined as the organizational stability of the social order.<sup>41</sup> Any attempts of secession, overthrowing or replacing a government, forcing a government to adopt a certain policy and to weaken the state by disrupting its social and political fabric are considered as threats to the political security of a state. In Pakistan's case, one of the most serious political and societal threats emanate from the province of Balochistan. The military dimension of security is the most long-standing and traditional one. It refers to a physical assault on the boundaries of the state, an attempt against the territorial integrity and sovereignty of a state. In the case under discussion, the societal, political and military,

---

39 Sabena Siddiqui, "Comparing Gwadar and Chabahar Ports: Rivals or Sisters?" *Asia Times*, December 2017, <https://asiatimes.com/2017/12/comparing-gwadar-chabahar-port/>

40 Ghazal Vaisi, "Shanghai to Bandar-Abbas, China's Growing Foothold in the Persian Gulf", *Iran International*, January 2022, <https://www.iranintl.com/en/202201148932>

41 Barry Buzan, "New Patterns of Global Security in the Twenty-First Century", *International Affairs* 67, No. 3 (1991): 431-451.

all dimensions of security are related with Balochistan, thus making it implausible to discuss these in distinction.

The Balochistan issue is a multifaceted problem with economic, social, political, sectarian and military dimensions. A facile analysis of the issue would simply conclude it to be an ethnic issue, however there is an intricate myriad of complexities. The Balochs are an ethnic group spread over in Pakistan, Iran and Afghanistan. As the Baloch people uphold the narrative of being unfairly slashed into three different countries by the colonial powers while struggling to seek independence and create a Baloch state, the actual roots of the problem lie in the sheer economic and developmental deprivation that coexists in all the places of Baloch residence.

In discussing the plight of Baloch community in Pakistan, it needs to be underlined that conditions for them are no better in Iran either. Sistan-Balochistan in Iran is the most underdeveloped and poverty-stricken province. The province hosts seventy percent of this population, bulk of which lives in abject poverty.<sup>42</sup> To escape economic misery, the community on both sides has regularly engaged in unlawful activities like, smuggling of oil and human trafficking. The illegal border crossings and unlawful trade has resultantly caused estrangement between the two sides for long.

The rise of non-state actors and religious leaning groups following Soviet invasion of Afghanistan during cold-war and in subsequent years brought the menace of sectarian tensions to the fore. This compounded matters as the two neighbours traded allegations and counter allegations. The murky situation provided India an opportunity to exacerbate the problems and widen the wedge between the two countries. New Delhi's involvement in causing instability and blatant involvement in separatist movement in Balochistan was unmasked with the arrest of an Indian spy, Kalbhushan Jadhav, a serving officer of the Indian navy. Following his apprehension, Jadhav made confessional statement of having been sent to aid Baloch militant groups and orchestrate plans to sabotage Gwadar project under CPEC.<sup>43</sup>

For this multifariously intricate and tense situation of Balochistan between Iran and Pakistan, the Sino-Iranian deal appears with a promising future. The Pakistani and Iranian

---

42 Shaul Shay, "The Tensions between Iran and Pakistan," International Institute for Counter-Terrorism, May 18, 2020, [https://www.ict.org.il/Article/2548/The\\_Tensions\\_between\\_Iran\\_and\\_Pakistan#gsc.tab=0](https://www.ict.org.il/Article/2548/The_Tensions_between_Iran_and_Pakistan#gsc.tab=0)

43 Hamza Siddiq, "How will the Kalbhushan Jadhav case affect Pakistan's relations with India?", *The Express Tribune*, March 2016, <https://tribune.com.pk/article/33489/how-will-the-kulbhushan-yadav-case-affect-pakistans-relations-with-india>

officials had already agreed to create the Higher Border Commission in 2019 as a mechanism for improving the border security and for enhancing bilateral coordination for addressing mutual threats,<sup>44</sup> the involvement of China and the Western expansion of CPEC can do wonders for this goal. As discussed in the earlier section, under the Sino-Iranian Strategic Partnership, both partisans of the agreement have promised cooperation in the military and defence sector. With the multi-billion dollars of Chinese investment in Iran and Pakistan, the improvement of defence and security conditions has become imperative. For the mutually shared interest of improving security conditions, in case close cooperation and coordination is established between Iran, Pakistan and China, the overall regional security situation could dramatically improve.

## **POSSIBLE CHALLENGES FOR PAKISTAN**

With all the luminous opportunities for Pakistan, there are significant possible challenges as well that could hinder the achievement of the desired results.

- One of the most challenging factors is the US sanctions on Iran. Previously, the progress on Iran-Pakistan Gas Pipeline was halted due to the American sanctions. The respite that came with the JCPOA agreement turned out to be temporary with the sanctions being resumed under the Trump administration. More recently, the evolving situation under the newly elected hardliner Iranian Premier Ibrahim Raisi and the American President Joe Biden appears to be far from promising in case of removal of sanctions. In case the sanctions persist, China might re-consider its deal, as it had previously cut down its oil imports from Iran. Moreover, Pakistan might also be hindered from improving its relations with Iran under American pressure.
- Another challenging situation for Pakistan can emerge from its need to carefully balance bilateral relations between the USA and China. Despite the fact that Pakistan considers China as its ‘all-weather friend’, the down-trodden economic conditions hardly allow it to bypass American led financial institutions such as the IMF. As experimented by the current PTI government, the combined financial assistance from China, Saudi Arabia, UAE and China was insufficient to meet the economic needs, thus leading Pakistan back to IMF’s doors. Additionally, with

---

44 Mariana Baabar, “Pakistan, Iran agree on border fencing”, *The News International*, July 2019, <https://www.thenews.com.pk/print/500340-pakistan-iran-agree-on-border-fencing>

billions of dollars in debt with the IMF and World Bank, Pakistan could not keep all its eggs in the Chinese basket and would have to intricately hedge between the two competing global powers.

- Sectarianism is yet another serious challenge that could not only hamper the progress of this deal, but could also threaten the socio-political security of Pakistan. As discussed previously the terrorist activities of non-state actors in the alleged name of their respective sects had strained the Pakistan-Iran bilateral relations. Already many of Middle Eastern states are competing for regional hegemony while using sectarianism as a deadly tool. While improvement of relations with Iran is a dynamic opportunity for Pakistan, there is a dire need to keep this engagement free from sectarian politics in order to prevent Pakistan from turning into a battleground between competing interests of Iran and Saudi-Arabia.
- Additionally, from a historical perspective, Pakistan's tilt has been towards the Sunni-Wahabbi regime of Saudi Arabia. The warmth of relations between Pakistan and Saudi Arabia had been a major impediment in the robust development of relations between Pakistan and Iran. The sudden and exponential improvement of relations between Iran and Pakistan under the Sino-Iranian CSP has the possibility of creating a frost in the bilateral relations of Pakistan with the Kingdom of Saudi Arabia.
- The instability in Balochistan can also pose a serious threat to the development and progress of this project. Despite the fact that the project could provide bright opportunities for development in Balochistan, yet the Balochs have already had an unpromising example in the form of CPEC. While a large number of developmental projects of CPEC have been developing in the Balochistan province, the Balochs are certainly not the ones who have benefitted the most. Rather, the displacement of locals, crackdown on oil smuggling and fishing activities has further disillusioned the Balochs from any such developmental projects. As a result, the continued instability in the province can negatively impact the possibility of Pakistan availing the opportunities provided by the Strategic Partnership of Iran and China.
- Covert Indian involvement is also a major challenge to the smooth and progressive development of the Western extension of CPEC. As discussed earlier, the Chabahar port had initially been developing under Indian investments and supervision before

being replaced by China. India's inability to continue with the project and the fact of being replaced by China has posed a question mark on India's position as a regional hegemon against China. There is a high risk that covert Indian activities such as instigating instability in Balochistan could impair the development of the project. India is no new to sponsoring the anti-state elements in the province of Balochistan-the most important example had been that of Kalbhushan Yadav. Such activities would not only stall the development of the project but could also threaten the peace and security of Pakistan while also further straining the relations with Iran.

- Last, but not the least, a challenge comes from Pakistan's own policy gap that makes it miss opportunities. Recently, as the world witnessed almost a global lockdown due to the Covid-19 and the oil prices dropped to an unprecedented level, many states including India stockpiled oil that could fulfil their future needs. Pakistan missed this opportunity, as a result of which the oil prices remained high in Pakistan unlike many states. Such instances of policy gaps could make this dynamic opportunity simply slip out of Pakistan's hands.

## **CONCLUSION**

Security, which was traditionally defined around the narrow domains of military defence of the geographical space, has been redefined since the end of the Cold War. Scholars such as Barry Buzan and Ole Weaver emphasize on a broader and wider notion of security that includes multiple sectors such as military, economy, energy, politics and society over and above multiple levels of analysis including national, regional and global. Both, Buzan and Weaver have specifically drawn attention towards regional level of analysis in the Regional Security Complex Theory (RSCT). According to these theorists, security threats spread more rapidly and easily in geographically contiguous regions compared to distant regions. The proponents of the RSCT also highlight the possibility of external transformation in regions due to the actions of a major power interested in expanding its sphere of influence.

As Buzan and Weaver point to a merging East Asian and South Asian regions, due in large part to Chinese presence in the latter and Indian involvement in the former, the recent Sino-Iranian deal and Beijing's preceding involvement in Middle East raises possibility of emergence of an Asian super complex, involving all three regional security complexes. Though the details of the Sino-Iran deal are still murky, some leaked documents reveal Chinese pledge

of multi-billion dollars' investment in Iran in the coming two and a half decades in return for oil and gas at affordable rates. This is bound to upset the applecart for the United States and its allies in Middle East, South Asia and larger Indian Ocean region.

Located at the junction of the partisans of the agreement, Pakistan has some dynamic opportunities as well as few critical challenges in the emerging Asian super complex. The energy security in Pakistan could improve with the development of the unfinished Iran-Pakistan gas pipeline; the possibility of purchasing oil from Iran at concessional rates and with the possible import of affordable Iranian electricity in case joint power-plants are installed with Chinese assistance. The economic security could too be improved by way of cooperation between Gwadar and Chabahar ports and ensuring availability of facilities to local Baloch natives and easing cross-border trade with Iran which will open host of economic opportunities.

The socio-political and military security could also improve for Pakistan if it replaced India in the Chabahar project of Iran. This would result in blocking a via medium through which Indian infiltrates its spies and agents to encourage Baloch insurgents. Furthermore, with the mutual Chinese, Iranian and Pakistani interests in improving regional security, the defence and military cooperation could bring about the desired results. The challenges come from the American sanctions on Iran, the need to carefully hedge between USA and China, and the necessity for Pakistan to protect itself from enduring local conflicts in the Middle East and South Asia. Last, but not the least, making apt, effective, efficient and timely policies is a challenge that must be taken seriously to reap real benefits from a promising evolving regional situation.

## RECOMMENDATIONS

- Considering the convergence of interests of its two neighbours (China and Iran), Pakistan should play an efficient diplomatic role in facilitating the cooperation between both the states. This could be done by hosting focused group meetings of bureaucrats, technocrats as well politicians and representatives of relevant departments from all three states (Pakistan, China and Iran).
- All the sectors within the domain of the Comprehensive Strategic Partnership Agreement such as energy, environment, economy and defense should adopt a pro-active policy in order to maximize the gains from the agreement. All possible

opportunities and challenges should be enlisted in order to ensure that no opportunity is missed.

- Considering the looming energy crisis in Pakistan, immediate action should be taken to complete the Iran-Pakistan gas pipeline with assistance from China. Additionally, given the situation of sky-rocketing fuel prices across the world, negotiations between Iran, Pakistan and China should be held as early as possible in order to have fuel access at a concessional rate. Not only will it benefit Pakistan and China in the form of affordable fuel, it will also provide a market for the Iranian oil.
- Contrary to the expectations, the grievances of Baloch people have only increased with the development of CPEC. As the Iran-China Partnership is considered as an extension of CPEC, following steps should be taken to improve the conditions of the province:
  - In the developmental projects that are initiated under the CPEC and are also planned in the Western extension of CPEC, Baloch people should be involved and recruited in order to provide them with livelihood opportunities. This will also enhance a sense of belonging among the Balochi people.
  - Along with the crackdown on oil smuggling in Balochistan, legal channels and opportunities for Baloch people should be provided to conduct trade in oil as well as other commodities with Iran.
  - As discussed above, Balochistan has been a victim of foreign conspiracies, cross-border security must be enhanced in close coordination with Iran and China in order to enhance the security and stability of not only the province, but the entire state and region at large.