

The dynamics of South-South interaction: an examination of the multidimensional ties between Pakistan and the Arab Gulf countries.

Brono De Cordier*

Abstract: *The multi-faceted cooperation and interaction between Pakistan and the Gulf Cooperation Council (GCC) countries, in which much revolves around the country's ties with Saudi Arabia, is not merely geopolitical and formal-economic, but has also a strong grassroots dimension through labor migration and pilgrimage. The close alliances that exist, at the same time, between part of the Pakistani and especially the GCC's establishments with the US as the neo-imperial core, are all but uncontested both inside their respective societies and elites. The outcome of this long-latent and increasingly open conflict will determine whether the 'axis of complementarity' between Pakistan and Saudi Arabia could emerge as a center in the multi-polar world order.*

Keywords: Pakistan; Gulf Cooperation Council; South-South cooperation; Arab investment; non-OECD aid; labor migration; pilgrimage economy; military cooperation.

* Department of Conflict and Development Studies-Con, bruno_decordier@yahoo.fr

Introduction

This chapter¹ examines the economic and other levels of interaction and ties between Pakistan and the states, economies and societies of the Gulf Cooperation Council or GCC.² The relevance of this subject does not lay so much with the overall discussion of so-called South-South cooperation, as it does with the spaces and dynamics that might shape the fledgling multi-polar world order. This case does not come out of the blue. Historically, interaction and economic and ideological ties between what are now the GCC countries – which were established as modern national states between 1927 and 1971 and whose political regimes are all hereditary autocracies – and the state of Pakistan – which was founded in 1947 and has a republican system – have been existing far back into the pre-modern era. Sea traffic and coastal trade between the Makran coast, Oman and the Gulf, for example, has been existing in one form or another for centuries.³ And the integration of the Makran coast, Multan and Sind in the eastern frontier of the Islamic sphere and the Umayyad caliphs by the year 713 did not only implant Islam on the subcontinent, but thus created a common element in the different social and ideological identities that has survived its original champions up to the present day.

The defense symbiosis

Much of Pakistan's interaction with the Persian-Arabian Gulf revolves around its multi-dimensional ties with the GCC's core state, Saudi Arabia. Pakistan has the peculiarity of being one of the few modern states that has been specifically founded for a religiously-defined community — in this case for South Asia's Muslim population — while Saudi Arabia, by far the GCC's geographically, demographically and economically largest member, has since its founding been the self-declared guardian and actually the owner of Mecca and Medina, the Muslim Ummah's holy centers. The latter is not and unimportant factor, since Pakistan, through the size of its population and its confessional geography, reflects well the reality that the demographic center of gravity of the Ummah has long shifted from the Arab sphere eastward. Pakistan and Saudi Arabia also have a tradition of close military cooperation. Pakistan, a state the backbone of which is the military, has been providing military aid to Saudi Arabia for decades, starting with assistance in training its air force in 1961 and the provision of air raid support against an incursion by what was then socialist South Yemen in 1969.

Since then, varying numbers of Pakistani military personnel have been stationed, in one capacity or another, in Saudi Arabia. During the First Gulf War (1990-91) which followed the occupation of Kuwait by Saddam's Iraq, Pakistan sent military units to protect Mecca and Medina while Saudi Arabia has also been providing various forms of support to Pakistan's nuclear program since 1979-1980 and gave favorable oil supplies and loans to help Pakistan cope with the economic consequences of its nuclear test in 1998. More recently, since late 2001-2003, much military cooperation is coined and framed in 'anti-terrorism' although the latter, in Saudi Arabia as in other GCC states, often comes at containing internal dissent in general. A recent reality that will have a profound impact on both the Gulf monarchies' and Pakistan security paradigm is the emergence of al-Baghdadi's ISIL state and, later, the declaration of allegiance and support to it by the Taliban movement as well as some smaller militant Sunni units in Pakistan.⁴ Despite alleged ties between ISIL and Saudi Arabia or, at least, certain interest groups, power factions and private sponsors in this state and on the Arab peninsula in general⁵, ISIL and its non-state affiliates and allies in the wider Islamic world including in Pakistan will, sooner or later, target both the Shias and what it sees as the apostate and illegitimate rulers of the countries of examination as well.

Table 1: Comparative overview of military effectives and (para)military involvements of Pakistan and the GCC states in 2013 or latest available year.⁶

	Size of combined armed forces (active military and paramilitary personnel)	Defense expenditure in % of GDP	Military nuclear programme	Armed conflicts currently or recently involved in (all intensities combined)
Pakistan(*)	947,800	2.7	yes	frozen conflict with India in Jammu and Kashmir and the Thar desert; internal sectarian (Taliban, Takfiri) and ethno-separatist (Baluch) militancy
Saudi Arabia(*)	248,000	8.9	not acknowledged	Houthi-Shia insurgency in the Saudi-Yemenite border area; counterinsurgency intervention in Bahrain; semi-covert support to Sunni insurgents in Syria
Kuwait*	22,600	3.3	no	not actively, but potential for internal Sunni anti-establishment and anti-Western militancy
UAE*	51,000	5.4	uncertain	part of the international coalitions against ISIL and Gadhafi
Qatar*	11,800	1.5	no	semi-covert support to Sunni insurgents in Syria; part of the international coalitions against ISIL and Gadhafi
Bahrein*	20,060	3.5	no	internal Shia unrest; part of the international coalition against ISIL
Oman*	47,000	8.4	no	not actively, but participates in the containment of Iran

Officially hosts military bases and units of the US armed forces ((): also officious presence, or in process of reduction).

The military cooperation between Pakistan and the GCC countries has a sizeable economic dimension since business activities in sectors as various as agro-industry, transport and

communications, banking and energy related to or initiated by groups and individuals from Pakistan's defense sector allegedly accounts for approximately 25 percent of the country's de facto gross domestic product. Companies embedded in networks of military or former military personnel are also active in the trade between Pakistan and the GCC sphere.⁷ Finally, both Pakistan's, Saudi Arabia's and several other GCC states' military sectors are traditionally major Anglo-American military clients, both in terms of arms and equipment purchases as well as aid. Just like the elites of the GCC states consider extraneous military protection and -suppliers crucial to their survival, the US considers all these states to be crucial to their security strategy – containing socialism until 1988-1991, terrorism and the emerging powers since 1997-2001– and energy policy – four GCC countries are OPEC members and Saudi Arabia is crucial in the petrodollar system – in the Arab and wider Islamic world.⁸

Oil, land and free-trade agreements

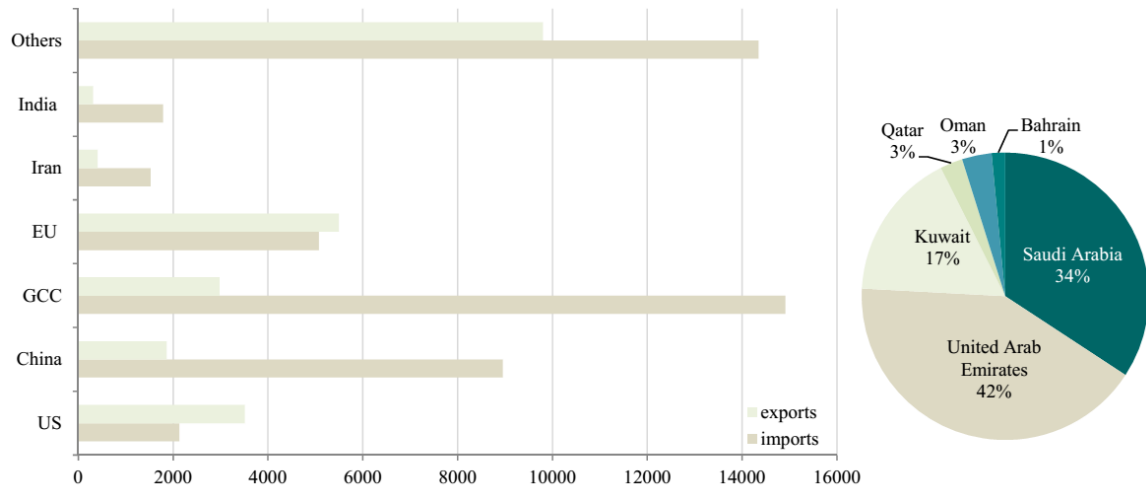
Since 1973, the privileged military ties between the US and Saudi Arabia and other GCC oil exporters is even one of the core components of the petrodollar system which also applies to the energy trade between the GCC sphere and Pakistan. This brings us to the second level of interaction that is the international trade and investment streams between the GCC economies and Pakistan. In 2011, total Pakistan-GCC trade officially stood at some \$ 18 billion of which some 15 billion were imports from, and 3 billion exports to, the GCC. If we look at the graphic below, one immediately notices that in terms of imports, the GCC, as an economic bloc, forms by far the largest single trade partner of Pakistan in the reference year. The near-totality of Pakistan's trade with the GCC bloc is, in decreasing order, with the United Arab Emirates (UAE), Saudi Arabia and Kuwait. As one can rather easily guess, this is largely because of Pakistan's energy sector's dependency on petroleum imports from the GCC, of which the near-totality comes from these three oil-exporting countries.

Pakistan has been trying over the years to diminish its dependency on GCC oil through the partial reorientation of its energy supplies to natural gas and planning gas imports by pipeline from Iran by 2015, by prospecting and developing its domestic natural gas reserves in Sui and Makran as well as its coal and oil fields in the Thar desert, and by upgrading the new port in Gwadar for the planned import of natural gas and coal from other regions. In terms of exports, Pakistan's exports to the GCC consist of agro-industrial products, food and textile. Its main export markets are elsewhere – not in the least the EU, the US and a plethora of other individual economies – and are primarily related to its main export commodities which are raw cotton, sugar cane and other agro-industrial commodities. The GCC's share as an export market for Pakistan has been slightly shrinking over the last few years, which results, as we can see from the figure, in a highly unequal trade balance.

Direct foreign investment from the GCC bloc into Pakistan especially comes from the United Arab Emirates, Saudi Arabia, Qatar and Kuwait. Over the last one and a half decade, groups and companies from the GCC bloc benefited from the privatization move in the telecommunications and finance sectors, and also invested in real estate, oil infrastructure, transport and in the steel industry. The latter, by the way, is a sector in which the family of Pakistan's current prime minister, who was in exile in Saudi Arabia between late 2000 and 2007, has assets and interests. With \$3.5 billion worth of FDI during the 2000-2009 period, the UAE even formed the largest individual FDI source after the US with 4.8 billion, while \$ 646.8 million came from Saudi Arabia in that period.⁹ Since 2002 and especially after the global food commodity price spikes in 2008, an increasing interest and activity can be observed in FDI from the GCC towards the agro-industrial sector (especially the dairy and fruit branches, fisheries and livestock) and related infrastructure.¹⁰ This fits into a trend in which food imports into the GCC, which amount already to 90 percent of the region's needs, are foreseen to double from \$ 27.5 to 53.1 billion between 2011 and 2020 and which enhances a food security strategy for the GCC

which besides Pakistan also involves some African countries which are geographically close and with which historical and cultural ties exist.¹¹

Graphic 1: The position of the GCC countries in Pakistan’s overall foreign trade in the fiscal year 2011 (in millions of \$), and breakdown by GCC country (in % share of total)¹²



GCC actors are confronted in this field with similar interest from Chinese, Southeast Asian and European groups and companies. This certainly boosts the agro-industrial sector. But the ensuing competition for access to land also steadily exacerbates social tensions and fault lines in a country where agriculture employs 43 percent of the labor force, in the sense that the real and perceived practice of land grabs mainly benefits the neo-feudal landowner elites in Pakistan at the detriment of family-based agriculture and fisheries. Since 2006, the GCC seeks to push through a free trade agreement with Pakistan. Such an agreement is to theoretically boost the trade volume between Pakistan and the GCC up to \$ 350 billion by 2020. The actual agenda, however, is perceived to be particularly driven by the interests of Qatar. Itself one of the world’s major exporter of natural gas and, as such, heavily concerned by Pakistan’s intentions to import gas from Iran, such a free trade agreement is to anchor and deepen the country’s energy dependency on the GCC including in the non-oil sector.

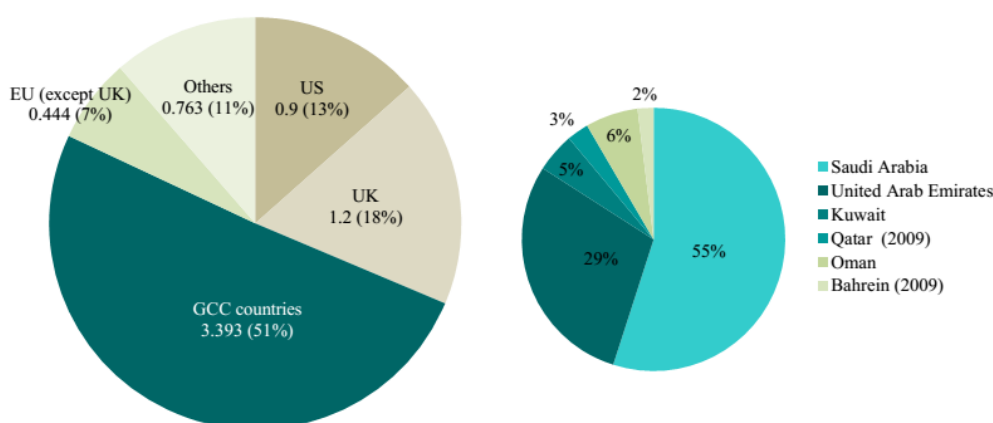
A final factor under this particular section is, that members of the Pakistani power and business elites also invested in real estate and in the service industries in the Persian-Arab Gulf’s hub cities and so-called economic free zones, and possess bank accounts in Bahrain. The latter’s capacity of tax haven for the wealthy explains, along with Iran’s perceived role in the events in the majority Shia but Sunni ruled kingdom, why the uprising in early 2011 was suppressed, for now at least, with the help of Saudi Arabia, the UAE and other outside actors, including Pakistan. The latter did not happen through open and direct military intervention as was the case with Saudi Arabia and the UAE. It rather occurred through the recruitment of up to some two-thousand Pakistani personnel and advisors for Bahrain’s National Guard and riot police through so-called private security contractors from the wider business realm connected to the Pakistan military. Many of the recruits are allegedly retired military and police from the Makran region.¹³

Labor migration and the remittance economy

They form, however, but a niche segment in what is an enormous sphere of labor migration between Pakistan and the GCC. As we can clearly see from the graph below, the GCC countries – and Saudi Arabia and the UAE in particular – form by far the largest destination for Pakistani labor migrants and expatriates in the world. In 2012, nearly 3.4 Pakistani migrants, mainly men, at least seasonally lived and worked in the GCC countries. At first glance, this is easy to explain with the stark demographic and economic misbalances between Pakistan and the GCC. In 2012, the GCC sphere had a total population of 43.3 million of which Saudi Arabia accounted for nearly two-thirds, whereas the population of Pakistan was 175.3 million or over four times the GCCs’ population. Similarly, while the GDP per capita was \$ 2,792 in Pakistan in that year, it amounted to an average of \$ 44,987 in the GCC sphere.¹⁴ Such discrepancies, however, are insufficient to explain migration patterns.

As said, trade, transport and migration ties between southern Pakistan and the GCC countries, Oman in particular, have been existing for centuries and several population groups in Oman and Saudi Arabia claim ancestry from region that are now in Pakistan. So networks and niche presences that were later activated in modern labor migration did already exist. It was, however, not until 1980 that such sizeable migration and expatriation from Pakistan to the GCC area occurred. The oil boom of 1971-73 initially attracted labor migrants from Arab countries outside of the GCC. After 1980, growing labor demand, a native GCC population that is culturally less inclined to engage into the specific work needed, and a Pakistani foreign policy that increasingly leaned towards the Persian-Arab Gulf, all culminated in a second immigration wave in which Pakistani workers were prominently present.¹⁵ Another landmark event in this process came after the First Gulf War (1990-91) when Saudi Arabia and other GCC countries decided to turn eastward to Pakistan and other countries for new labor to replace part of the Palestinians and other Arabs who had been supportive of Saddam’s Iraq and were as such perceived to be a security threat.¹⁶

Graphic 2: The GCC sphere in the regional distribution of the Pakistani diaspora in 2012 or the last available year (in millions of migrants and expatriates), and breakdown by GCC state (in % share of total)¹⁷

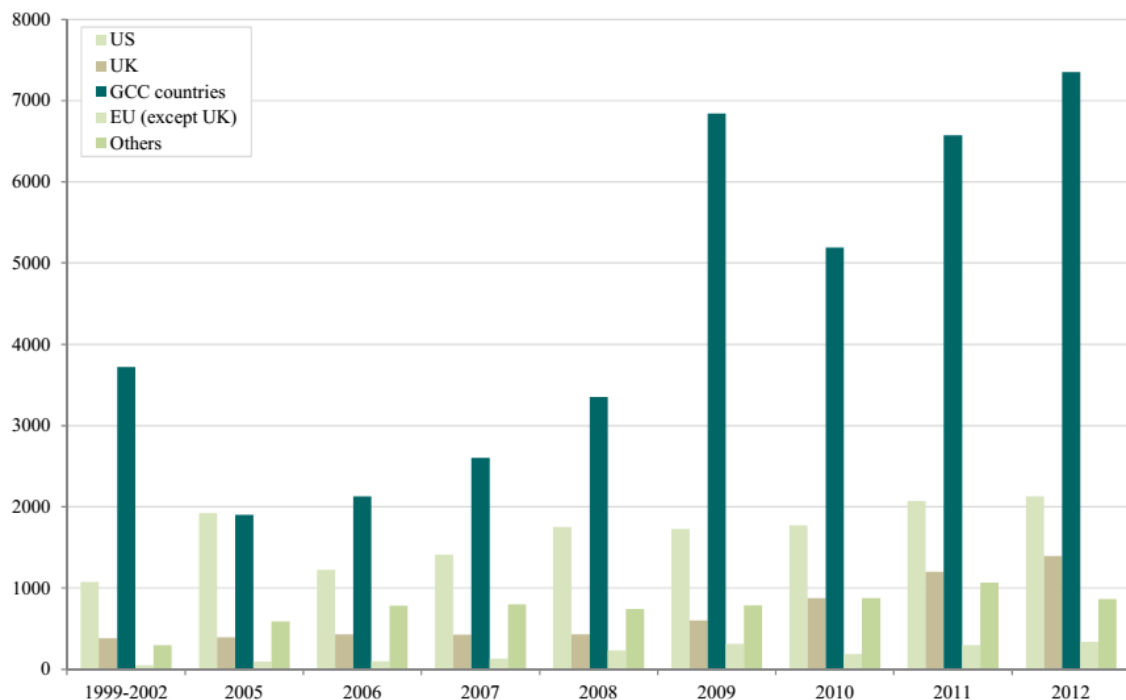


Finally, between 1997 and 2001, the decision by several GCC governments to diversify and modernize their oil- and trade-based economies and the high oil prices led to a rapid surge in development activity, a 259 percent regional GDP growth between 1998 and 2008, as well as a peak in labor demand. The part of labor migrants of all nationalities in the GCC’s active population now ranges from over 30 percent in Saudi Arabia to over 90 percent in the UAE and

Qatar.¹⁸ The Pakistani migrants in the GCC are primarily employed in construction. The GCC region's modern metropolises and more recently, the megalomaniac mirage skylines, infrastructure and international elite developments in Dubai and Abu Dhabi are for not a small part built with Pakistani labor. Other sectors in which Pakistani are well-represented are all sorts of maintenance, small and medium trade as well as the taxi industry and other transport activities. As such, as one can see in the following graphic, the GCC economies form by far the largest source of remittances to Pakistan, followed far behind by the continental EU and the UK.

In 2012, a recorded \$ 13.18 billion in remittances, 5 to 7 percent of GDP, were sent to Pakistan. Of this, 46 percent came from Saudi Arabia, 36 percent from the UAE (more specifically 18 percent from Dubai and 17 percent from Abu Dhabi), 7 from Kuwait and 11 percent from the three other GCC states.¹⁹ The remittance economy has created a substantial network of both official and informal financial transfer channels and services between the GCC and Pakistan.²⁰ The official number of expatriate countrymen in the region form only about two percent of the overall number of Pakistani, yet their remittances to the country form an important financial lifeline for the grassroots level in their places and areas of origin, much more actually than international aid does. As is the case in other reception societies, the impact of the remittance flows is a mixed bag and much related to the social psychology of the individuals and communities involved. They are certainly productively invested and alleviating poverty, just like they can cause handout dependency, consumerist mirages and deindustrialization and agricultural decline.²¹ The remittances from the GCC and elsewhere have been of considerable use to cope with the economic setbacks brought about by the earthquake in north-western Pakistan in late 2005, the military offensive in Swat in spring 2009 and the floods in summer 2010.²²

Graphic 3: The GCC economies in the regional origin of remittances to Pakistan from the fiscal years of 1999 to 2012 (in million \$)²³



The political economy of hearts and minds

A channel of interaction and an economic tie that is specifically embedded in the confessional geography that is shared between Pakistan, Saudi Arabia and the Ummah in general, is what one

could call the pilgrimage industry to Mecca and Medina. The number of pilgrims or at least pilgrimage-related entries between 2000 and 2012 is estimated at more than 30 million, of which more than two-thirds came from outside of Saudi Arabia. The economic and psychological dimension of this is all but negligible. Saudi Arabia's direct and indirect annual revenue from organizing and hosting the Hajj and Umrah pilgrimages (permits and taxes, transport, accommodation, food, ...) is estimated to be between \$ 10 and 30 billion depending on the year and the source. Pilgrimage revenues are the country's second-largest source of income after the hydrocarbon industry.²⁴ In 2012, Pakistan, with an official share of 11.7 percent of foreigners who performed the Hajj that year, was the second-largest source of pilgrims to Mecca and Medina after Egypt with 14.9 percent. According to the official Hajj statistics, Pakistan also occupied the second place the year before, and had a prominent place in the years before that.²⁵

The confessional ties bring up the controversial issue of Saudi Arabia's and Kuwait's 'ideological export' to Pakistan through private foundations as well as quasi-governmental structures and their role in the growth of a Wahhabi and especially Salafi Sunni societal segment there.²⁶ In Pakistan as elsewhere, social identities traditionally dominated by more syncretic Sufi beliefs and practices have come under pressure because of the impact of globalization, social mobility, migration, urbanization as well as the discredit of part of the Sufi elites brought by their close association with unpopular parts of the political elites. This has created a ground, in certain sectors of Pakistani society, for more orthodox and puritanical interpretations and practices of Islam like. One of these is Salafism, to which an estimated 5 to 7 percent of the country's Islam followers are now believed to adhere to or be influenced by.

Since 1978-81, Saudi Arabia, in particular, either through official channels or through an array of private charities, has been funding the construction of mosques – including the enormous landmark Faisal mosque in the capital Islamabad – and various forms of religious education as well as some religious movements and political parties. The latter include the Salafi Ahl-i-Hadith ('People of the tradition of the Prophet') movement and its political wing. These ties are not recent and can be traced back to 1927, when Ahl-i-Hadith representatives from what is now Pakistan travelled to the Kingdom of Nejd and Hejaz, the predecessor state of Saudi Arabia. More structural support from Saudi Arabia and, to a lesser extent, Kuwait, to the Ahl-i-Hadith and similar political-religious organizations in Pakistan started after the Arab-Israeli war of 1973 and especially after Pakistan's foreign policy turn to the Persian-Arab Gulf after 1980.²⁷ The Ahl-i-Hadith nowadays runs or controls 17 social and political organizations and an 400 estimated Quranic schools in the country.

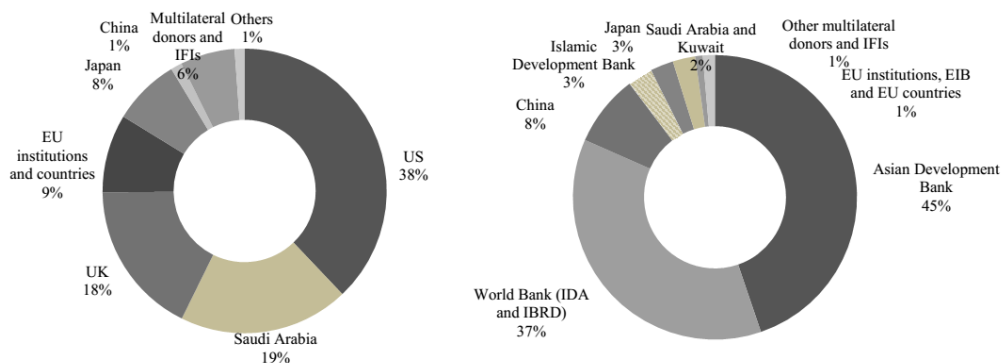
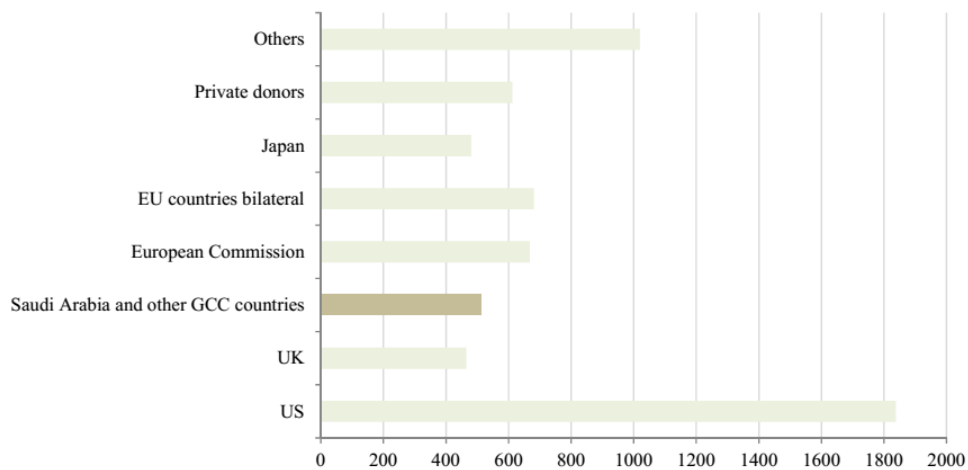
This is some 4 percent of the registered total, but we compared this to the 47 Quranic schools affiliated to the movement in 1971 and 161 in 1988, it has been clearly a growing niche over time.²⁸ The country's audiences can also capture religious satellite channels from the Persian-Arab Gulf, part of which broadcast Salafi and Wahhabi content. In general, Salafism is more present in urban centers and parts of the country that are relatively more affluent because, amongst others, of a strong remittance influx from the GCC region. Although much of the Salafi Ahl-i-Hadith movement is not involved in armed struggle, the existence of militant groups of Salafi inspiration and the fact that these consider Sufis and the large Shia minority to be heretics mean that their presence is perceived to be a societal threat by various opinion leaders and competing Islamic groups and leaders.

The labor migration and the confessional interaction through pilgrimage ensure a presence of the GCC region, and of Saudi Arabia in particular, on the mental map in Pakistan. Despite the often harsh and exploitative working conditions and social segregation to which labor migrants are exposed and despite the opulent lifestyles and conspicuous consumption of part of the region's elites and of the wealthy expatriates who settled in Dubai and other hubs, opinion in Pakistan general seems to hold a favorable popular view about Saudi Arabia in the first place. Although opinion polls only suggest realities, according to a 2008 survey, for instance, not less than 97 percent held some degree of favorable view about Saudi Arabia. Iran received 67 percent while the non-GCC Arab countries included in the questionnaire lagged far behind with 33 to 39 percent of favorable views. The US was rated favorably by 19 percent of the respondents in that

specific study.²⁹ Of course, this does necessarily reflects a popular endorsement of the GCC region’s political regimes and power elites, but rather associations with employment and income opportunities, and with Mecca, Medina and the Hajj. This author’s anecdotal evidence and impressions gathered in Pakistan suggest much more mixed popular feelings which vary according to personal experiences and the international climate of the moment.³⁰

Finally comes humanitarian aid and development cooperation from the GCC region to Pakistan. Here again, the most prominent interaction is that between Pakistan and Saudi Arabia and, to a lesser extent, the UAE and Kuwait. Saudi Arabia’s semi-governmental aid body al-Igata, which is better known as the International Islamic Relief Organization, has been almost permanently operating in Pakistan since 1982.³¹ Kuwait’s International Islamic Charity Organization and various semi-governmental and private charities from the UAE and Qatar have also been present in the country since 1989-99. As the graph bellow tells, in terms of registered humanitarian assistance between 1999 and 2013, Saudi Arabia and the other GCC countries formed the fourth-largest donor sphere to Pakistan after the US, the EU both as an institution and through its individual member states, and private donors who include individuals, organizations and companies in the affected country and beyond.

Graphic 4: The GCC countries among Pakistan’s donor of humanitarian aid between 1999 and 2013 (supra, in million \$), and among development grants and loans between 2004 and 2009 (infra, in % share)³²



In a number of specific crises like the floods in the summer of 2010, the contributions of Saudi Arabia were much more prominent. With \$ 242.2 million in effectively disbursed aid, it was the third-largest donor after the US with \$ 631.7 million and the \$ 247.5 million from private donors. However, if we add the \$ 96 million from the five other GCC countries – of which \$ 77 million came from the UAE and 9.25 million from Kuwait – the GCC as a bloc came second with a total of \$338.2 million in relief aid during the 2010 floods.³³ If we look at the above graphic again, we see that in terms of *development grants* that were allocated to Pakistan in the period between 2004 and 2009, Saudi Arabia was Pakistan's second-largest donor after the US. The grants are especially directed at post-disaster and post-conflict reconstruction and at social and economic infrastructure development. Often they are to facilitate later economic investment.³⁴ They are either disbursed bilaterally or through the Islamic Development Bank of which Saudi Arabia is by far the largest shareholder. Saudi Arabia and other GCC states also contribute to activities of specialized UN organizations in Pakistan.

GCC development aid to Pakistan, in which besides Saudi Arabia the UAE and Kuwait also play a prominent role, is generally quite volatile and very driven by major adverse events like the earthquake in northern Pakistan, the Swat offensive the floods and the energy crisis.³⁵ The major sources of *loans* to Pakistan is not the GCC but international financial institutions and development banks in which the US play a key role or at least wield considerable influence. The GCC's share here does not exceeds 5 percent, and this takes into account the input of the Islamic Development Bank as well. The 'classical' international financial institutions' and development banks' activity in Pakistan have strongly increased since Pakistan has become a frontline state in the so-called 'war on terror' and in the wake of setbacks like natural disasters and the energy crisis the country has been coping with since 2007.³⁶ Critics consider such 'buy-off' of Pakistan's establishment into cooperation with extraneous geopolitical agendas and the increasing debt and adverse loan conditions to be nefarious for the country and its society. Last but not least, we have to reiterate the remittance economy, of which the GCC are especially Saudi Arabia and the UAE form the first source, under this section. Sometimes considered to be an alternative channel of aid, it has a much more direct impact at the grassroots in terms of coping and investment capacity than official development assistance does.

Concluding remarks

As one can see, the interaction between the Pakistan and the Gulf Cooperation Council countries is multi-faceted and pretty much set on the interface of the geopolitical and the social grassroots because of the confessional dimension and the labor migration. Now is this South-South relationship one of interdependency, or one between a core of high-income oil-producing GCC countries and a periphery formed by the more agricultural, lower middle-income Pakistan? At first glance, Pakistan seems especially a source of mercenaries, cheap labor and cultivable land for the GCC countries. This is also how some opinion makers describe it. The financial aid, advantageous oil deliveries and of course the remittances from Saudi Arabia and other GCC countries definitely are of enormous importance for Pakistan, maybe not for its outright survival but at least for much of its functioning. It means that it is vulnerable for economic downturn and political unrest in the Persian-Arab Gulf. The power elites of Pakistan thus have a vested interest in helping to ensure the continuity and stability of the Saudi and other GCC regimes.

It is not completely nor typically peripheral in this regard. Pakistan has more military strength and -experience and more diverse industries than the GCC countries. It also produces military hardware and delivers defense expertise to Saudi Arabia and other GCC states, and it has the achievement of being the only Islamic nuclear power so far. Its potential may be stunted due to setbacks and political factors, but it is not a fully-fledged or completely passive periphery. So, what we rather have is an interaction between *semi-peripheries*, an interaction that is defined and carried by a confluence of historical factors, security paradigms or perceived paradigms and by economic geography. Once more, much revolves around the ties between Pakistan and Saudi

Arabia. Unlike the UAE, with whom ties are of a more economic nature, the ties with Saudi Arabia are highly political and ideological. For both states – Saudi Arabia as the guardian of the Ummah’s sacred sites and Pakistan as a modern nation-state which was founded for an Islamic community – are entities whose formation and legitimacy construction are closely intertwined with Islam or certain interpretations thereof.

Pakistan, and the rulers of Saudi Arabia and the other GCC states have also since long been US allies, and, thus, beneficiaries of considerable strategic dividends, in the containment of Soviet as well as Baathist socialism until 1991, against Iran since 1979, and more recently, since 2001, in the fight against the much more vague, fluid and ubiquitous ‘terrorist threat’. Pakistan is also a major recipient of aid from both the US and from the international financial institutions that it controls. Not a few, both in Pakistan and in the Persian-Arab Gulf, feel that all this serves a neo-imperial agenda of control over the Ummah, its sacred sites and its resources, one that is against the very Islamic character and destiny of both Pakistan and Saudi Arabia.³⁷ Pakistan, both as a state and a society, and especially though not exclusively its sizeable Shia component is not as hostile to Iran as Saudi Arabia, the other GCC states and the US are. The ties, channels and networks that exist between Pakistan and the Persian-Arab Gulf also form the space for various groups and individuals who resist the present world order and the incumbent political and economic elites who sustain it. The way and nature of changes that might sooner or later happen in the latter, will determine whether the axis of complementarity that exists between Pakistan and Saudi Arabia might become the backbone of a sub- or rather inter-regional entity within the Islamic sphere.

Notes

¹This article was previously included online in a different and shorter working form in the Central Asia Economic Papers series of the Elliott School of International Affairs.

²The Gulf Cooperation Council (GCC, مجلس التعاون الخليجي in Arabic) or Cooperation Council for the Arab States of the Gulf (CCASG), as it is officially called in full, was formed during the Iran-Iraq war in 1981 as an economic, political and security cooperation and regional integration framework between six Arab states bordering the Persian-Arab Gulf. Its member states up to this day are, in alphabetical order, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. The organization’s portal is at <http://www.gcc-sg.org>. For background on the GCC’s formation and the real and perceived interests behind it, see Ruhollah K. Ramazani and Joseph A. Kechichian, *The Gulf Cooperation Council: records and analysis* (Charlottesville: The University of Virginia Press, 1988).

³See, for example, Dionisius A. Agius, *Seafaring in the Arabian Gulf and Oman: people of the dhow* (London: Routledge, 2005). The port of Gwadar on Pakistan’s Makran coast was part of Oman until 1958, and about one quarter of Oman’s population claim ancestry from the Makran region and Baluchistan.

⁴al-Jazeera portal, “Pakistani Taliban pledges support to ISIL”, <http://www.aljazeera.com/news/asia/2014/10/pakistan-taliban-pledges-allegiance-isil-2014104162057352436.html>

⁵See, for example, Thierry Meyssan, “Jihadisme et industrie pétrolière”, Voltairenet portal, <http://www.voltairenet.org/article184370.html> This article is also available in English and several other languages.

⁶Table created by the author on the bases of data from the International Institute for Strategic Studies, *The military balance* (London: Routledge, 2014), 269, 313-348, and the SIPRI database, <http://portal.sipri.org/publications/pages/expenditures/country-search> See also George Perkovich, Brian Radzinsky and Jaclyn Tander, *The nuclear challenge and the GCC* (Washington, DC: The Carnegie Endowment for International Peace, 2012).

⁷For an in-depth study on defense-related business structures and activities in Pakistan, see Ayesha Siddiq, *Military, Inc. Inside Pakistan’s military economy* (Oxford: Oxford University Press, 2007). The influence of this military-economic fabric between the GCC and Pakistan goes even further in the sense that Pakistan and two GCC states (Saudi Arabia and the UAE) were the only countries that officially recognized, until they were pressured by the US and the UN to withdraw their recognition in late 2001, the Islamic Emirate of Afghanistan. The ‘Taliban state’, as it is better known, existed from fall 1996 to late 2001 and continued as a shadow state in parts of the country since its official demise. The internationally isolated entity was not only perceived to be a common sphere of influence, but also a society and economy the reconstruction of

which after years of civil war could, through its recognition, be steered by Pakistan and the GCC's leading countries.

⁸With \$ 13.8 billion in purchases between 2007 and 2010, Saudi Arabia was the first buyer of US arms and military equipment in that period. Pakistan was seventh with contracts worth \$4.1 billion. Richard F. Grimmett, *US arms sales: agreement with and deliveries to major clients, 2003-2010*, CRS № 7-5700 R42121 (Washington, DC: Congressional Research Service, 2011). Both countries are also major clients for the UK's arms industry, and received various forms of military aid from the US, especially during Cold War and since the 'war on terror'. See Centre for Global Development, *Aid to Pakistan by the numbers*, <http://www.cgdev.org/page/aid-pakistan-numbers> and Tim Niblock, *Saudi Arabia: power, legitimacy and survival* (London: Routledge, 2006), 48-57.

⁹Muhammad Arshad Khan and Shujaat Ali Khan, *Foreign Direct Investment and economic growth in Pakistan: a sectoral analysis*, PIDE Working Papers №2011-67 (Islamabad: Pakistan Institute of Development Economics, 2011), 9.

¹⁰Eckart Woertz, Samir Pradhan, Nermina Biberovic and Chang Jingzhong, *Potential for GCC agro-investments in Africa and Central Asia* (Geneva: Gulf Research Centre, 2008), 6-7.

¹¹Economist Intelligence Unit, *The GCC in 2020: resources for the future* (London: Economist Intelligence Unit), 16. Some GCC countries like Saudi Arabia also decrease domestic agricultural production in order to save water resources that are increasingly under pressure.

¹²Figure created by the author, June 2013, on the bases of statistics in the Pakistan sheet of the European Union's Trade Directorate, http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113431.pdf

¹³Mujib Mashal, *Pakistani troops aid Bahrain's crackdown*, al-Jazeera portal, 2011, <http://www.aljazeera.com/indepth/features/2011/07/2011725145048574888.html>

¹⁴Islamic Development Bank, *Facts and figures on IDB member countries* (Jeddah: IDB Data Resources and Statistics Department, 2012).

¹⁵Pakistan's foreign orientation towards Saudi Arabia and the Persian-Arab Gulf in general was especially explicit under the leadership of general Zia-ul-Haq, who was in office from fall 1978 to summer 1988.

¹⁶Marc Lavergne, "Golfe arabo-persique : un système migratoire de plus en plus tourné vers l'Asie", *Revue européenne des migrations internationales*, 19(3) (2003), 229-241.

¹⁷Figure created by the author, June 2013, on the bases of statistics in Rashid Amjad, G.M. Arif and M. Irfan, *Explaining the ten-fold increase in remittances to Pakistan, 2001-2012*, IGC Working Paper 12/0391 (London: International Growth Centre, 2011), 12.

¹⁸Vincent Piolet, "Les émirats et royaumes arabes: les travailleurs migrants au pays des 'free zones'", *Hérodote*, 133 (2009), 136-151.

¹⁹State Bank of Pakistan—Statistics Department, <http://www.sbp.org.pk/ecodata/homeremit.pdf>

²⁰Piolet, "Les émirats et royaumes arabes: les travailleurs migrants au pays des 'free zones'", 146-149.

²¹Abdul Qayyum, Muhammad Javid and Umaid Sharif, *Impact of remittances on economic growth and poverty: evidence from in Pakistan* (Islamabad: Pakistan Institute of Development Economics, 2008) and Roger Ballard, "Remittances and economic development in India and Pakistan", in: *Remittances: development impacts and future prospects*, ed. Samuel Munzele Maimbo and Dilip Ratha (2005), ' (The World Bank: International Bank for Reconstruction and Development, 2005), 103-118.

²²For a case study, see Abid Qaiyum Suleri and Kevin Savage, *Remittances in crises: a case study from Pakistan*, HPG Background Paper (London: Overseas Development Institute, 2006).

²³Figure created by the author, June 2013, on the bases of statistics in Udo Cock and Yan Sun, *Remittances in Pakistan: why haven't they gone up and why aren't they coming down?*, IMF Working Paper №WP-11-200 (Washington, DC: International Monetary Fund, 2011), 4-6, Amjad, Arif and Irfan, *Explaining the ten-fold increase in remittances to Pakistan, 2001-2012*, 8-12, Ibrahim Sirkeci, Jeffrey H. Cohen and Dilip Ratha, *Migration and remittances during the global financial crisis and beyond* (Washington, DC: The World Bank: International Bank for Reconstruction and Development, 2012), 382, Roger Ballard, "Remittances and economic development in India and Pakistan", and the portal of State Bank of Pakistan—Statistics Department, <http://www.sbp.org.pk/ecodata/homeremit.pdf>

²⁴For more on the political economy of the Hajj and Umrah, see Ignace Leverrier (1996), "L'Arabie saoudite, le pèlerinage et l'Iran", *Cahiers d'études sur le Méditerranée orientale et le monde turco-iranien*, 137(22) (1996), 2-22 and Robert Bianchi, *Guests of God: pilgrimage and politics in the Islamic world* (Oxford: Oxford University Press, 2008).

²⁵Central Department of Statistics and Information of the Kingdom of Saudi Arabia, عام 1433 (2012) *عام 1433*, <http://www.cdsi.gov.sa/2010-10-02-08-30-17/260-hajj1433> and the more comprehensive report at <http://www.cdsi.gov.sa/pdf/hajj1433-results.pdf> Note that by-country statistics on the number of people who performed the Hajj or the Umrah can differ according to the source.

²⁶For a discussion of the differences and similarities between Wahhabism and Salafism, see Trevor Stanley, *Understanding the origins of Wahhabism and Salafism*, The Jamestown Foundation, 3(14) (2005).

²⁷Yoginder Sikkand, "Stoking the flames: inter-Muslim rivalry in India and the Saudi connection", *Comparative Studies of South Asia, Africa and the Middle East*, 27 (1) (2007), 97-99 and Ayesha Siddiqi, *The new frontiers: militancy and radicalism in Punjab*, SISA Report №2 (Haslum: Senter for Internasjonalt og Strategisk Analyse-Centre for International and Strategic Analysis, 2013), 7-8.

²⁸Qaneel Siddique, *Weapons of mass instructions? A preliminary exploration of the link between madrassas in Pakistan and militancy*, FFI report №2008/02326 (Horten: Forsvarets Forskningsinstitutt-Norwegian Defence Research Establishment, 2009), 13.

²⁹The Pew Global Attitudes Project, *Unfavorable views on Jews and Muslim on the rise in Europe* (Washington DC: The Pew Research Centre, 2008), 32-36.

³⁰The role of Saudi Arabia and Qatar in quelling or hijacking some of the recent Arab revolts, as well as the role of companies and investors from GCC economies in land grabbing practices certainly affected popular views in some sectors of society, not in the least among the sizeable Shia minority and in the affected agricultural areas. On the other hand, the publication in *The Armed Forces Journal* and more recently in *The New York Times Sunday Review* of redrawn maps of the wider Middle East convinced some vocal opinion leaders in Pakistan that both their country and Saudi Arabia form targets in a hidden agenda of steered balkanisation.

³¹Observatoire humanitaire portal, <http://www.observatoire-humanitaire.org>

³²Figures created by the author, June 2013, on the bases of statistics in the OCHA financial Tracking System database, <fts.ocha.org>, and Centre for Global Development, *Aid to Pakistan by the numbers*, CGDEV portal, www.cgdev.org/page/aid-pakistan-numbers and, on the same portal, *Pakistan aid facts*, <http://www.cgdev.org/blog/pakistan-aid-facts>

³³OCHA financial Tracking System database, <fts.ocha.org> Note that these statistics only reflect reported official aid. After the earthquake of late 2005 which particularly affected the area of Muzaffarabad and the North-West Frontier Province, the GCC countries official contributions were much more limited, though they are believed to be substantially higher if one counts the informal aid that was disbursed by and through non-governmental channels. See also IRIN Humanitarian News and Analysis, "Middle East: Gulf aid to Pakistan update", IRIN portal, <http://www.irinnews.org/report/90297/middle-east-gulf-aid-to-pakistan-update>

³⁴For example, part of the land that is being acquired for agro-industrial investment by firms and groups from Saudi Arabia is purchased from a global \$ 556 million agricultural development line from the Saudi Fund for Development.

³⁵See, for example, Eva Baker, Mike Tierney and Michael Weissberger (2010 and update 2012), *A slow tsunami of assistance?*, The First Tranche, AidData blog, http://blog.aiddata.org/2010_08_01_archive.html. The picture is never clear since much development aid from Saudi Arabia and other GCC countries is not reported as such and is also tied to economic investments from the GCC in the country.

³⁶Centre for Global Development, *Aid to Pakistan by the numbers* and *Pakistan aid facts* Note that Saudi Arabia gives in-kind loans to Pakistan to help it cope with energy shortages in the form of oil supplies and deferred payments. It did so, for example, when Pakistan suffered economic sanctions due to its nuclear program between 1998 and 2002, and again since the general elections of 2013 when a coalition perceived to be more friendly was elected in power.

³⁷Some critics even consider the close ties between the GCC and Pakistan to be a way to further anchor the country in the US and wider NATO orbit by proxy, so as to further roll back its independence. For details on the various forms of GCC-NATO cooperation, in particular against Iran and for the overthrow of Saddam in Iraq and Gadhafi in Libya (and more recently also against ISIL), see Mahdi D. Nazemroaya, *The globalization of NATO* (Atlanta: Clarity Press, 2012), 154-160.