

**PAKISTAN'S ECONOMIC DIPLOMACY IN
THE GULF : 1971-1981**

**Dissertation submitted to the Jawaharlal Nehru University
in partial fulfilment of the requirements for the
award of the Degree of
MASTER OF PHILOSOPHY**

JAMALUDDIN AHMED

**DIPLOMATIC STUDIES DIVISION
CENTRE FOR STUDIES IN DIPLOMACY, INTERNATIONAL LAW AND ECONOMICS
SCHOOL OF INTERNATIONAL STUDIES
JAWAHARLAL NEHRU UNIVERSITY
NEW DELHI-110067, INDIA
1982**

PREFACE

Pakistan has acquired a distinguished position in relation with Arab Gulf states. Through out her entire history of 35 years it tried for the same. The very process is still on with the successful diplomacy of both Pakistan as well as the Gulf states. And more specially by Pakistan in forging, cultivating and aggravating a durable and closest possible relations with the Gulf States. This study attempts to answer some questions relating to economic diplomacy and economic transactions between the two set of nations and tried to reveal their real nature.

This study has been divided into five chapters. The first chapter deals with Geostrategic links between the two at various levels as Geography, Religion, Peoples and Civilization, to provide a historical context to our study. An analysis of Pakistan's interests in the Gulf Security as well as economics, appears in Second chapter. The major development of Trade, aid, joint ventures and man power have been discussed in third and fourth chapter. Finally, our analysis has led us to arrive at certain conclusions which have been discussed in the fifth chapter.

I am gratefully indebted to my supervisor, Dr. Satish Kumar for his constant guidance and unflinching help through all stages of the preparation of this work.

I should also express my sincere gratitude to Dr. Pushpesh Pant and V.K.H. Jambholkar of the centre for their continuous encouragement.

I also thank the library staff of Jawaharlal Nehru University, Indian Council of World affairs (Sapru House), Indian International Centre for their cooperation and help at all stages.

Last but not least I remember the cooperation of my friends and colleagues, Amit Kumar Gupta, Wahidul Hasan, (My Cousin) and Rahul Kulshreshtha.

JAMALUDDIN AHMED

CONTENTS

Preface.	<u>Page Nos.</u>
Chapter I Introduction	1-19
Geostrategic links between Pakistan and the Gulf.	
Chapter II Pakistan's interests in the Gulf.	20-69
(a) Security	
(b) Economics	
✓ Chapter III Pakistan's economic diplomacy in the Gulf:	
Trade.	70-113
Chapter IV Technical cooperation: aid, Joint ventures; and man power.	114-163
Chapter V Conclusion.	164-176

Select Bibliography

I N T R O D U C T I O N : Geostrategic
Links between Pakistan and the Gulf.

Diplomacy means art of management of a nation's relations peacefully among the various states of the globe, bilaterally, triilaterally or in whatever manner.¹ Scholars, Decision Makers and even diplomats, often speak that diplomacy and foreign policy are synonyms to each other. The foreign policy of a country is influenced and determined by the external environment at any point of time as much as by the nature of its domestic politics.² Elaborately, if I can say, the form of geographical settings, historical traditions, attitude of the mind cultivated through the long years, circumstances in which it obtained its freedom, the extent of modernisation and the nature of politicization it has been able to achieve, the degree of liberation from the obsolete customs, commitment to democracy.

The Character of political elite, political parties, pressure groups and peer clusters and an intra-regional relationship shaped by political events taking place before freedom was achieved. The quest for national security, character of economic developments, charisma of leadership also play an

important role, besides ideology and national temperament. Pressures of global politics have a hand in shaping the evolution of a country's foreign policy. The international milieu, bipolarity and for polycentric trends, the U.N. and other international organisations, foreign aid-multilateral as well as bilateral, trade, joint ventures and other forms of economic interactions all the foreign policy of a country.³

The interdependence of the contemporary world in so many ways, among each others, politically, geographically, culturally, economically and ethnically that they can not survive for a long without the mutual cooperation and interdependence of each other in all the means. Historical evidences can prove it that even in the past, the kingdoms were heavily involved in solving their problems through tactical means. In contemporary world one state can achieve her goal through the tools of her foreign policy with the help of diplomatic precisions whether they are international problems, intra-regional, domestic break ups or else so.⁴

The emergence of powerful international institutions/agencies in politico-economic, strategic and cultural, educational arenas after the 2nd World War U.N. and its several valuable agencies, powerful regional groups... Common Wealth, E.E.C., A.S.E.A.N, C.E.N.T.O., S.E.A.T.O., O.A.P.E.C., Non-Aligned, Islamic groups, O.A.U., and more specifically the emergence

of independent states from the colonial yoke, growing interdependence between South-North, South-South countries have assured them with greater significance. That is why it was always a positive motivation in the worldly states and their governments to solve their problems through diplomatic means and create a just and understandable world free from international, regional competitions and rivalries, with utmost care and with the tools developed by the modern world, diplomacy. The world today is dominated by the two monster ^{super} powers with emerging powerful polycentric political, economic and military blocs. The two monster super powers controlling the very resources, trade routes, lanes, shipping channels, communications, market, infrastructure, technology, management of modern economics. These factors compelled the newly born states plus the poor third world countries about their own strategy, for security, sovereignty, economic development and national interests.⁵

The powerful motivations among these states for rapid industrialisation, modernisation of economy, development of infrastructure under the sustained effort to increase resource endowments, creating new markets, improving technology, brought these states more closer than ever. Without achieving the aforesaid aims, they know that, will caught by economic vicious circles and their very idea of faster economic development would be hampered and nullified.

It is in this perspective ^{that} one can study with an attempt to understand the strategic, politico-economic relations of a state with another in achieving the goal of their diplomacy, and take up the foreign policy for detailed study and analysis.

Among the diplomacy put forward by the various diplomats, and academicians, economic diplomacy is one of the most effective tools, has become very significant for each and every states including economic, political, strategic, relations. This tool has become more relevant in the world, which is divided ideologically, politically technically, culturally and economically.

Modern diplomacy has now become different from as it happened to be in the past. Now totally dominated by the economic tools, finance, trade, aid and assistance, technological managerial, monetary, skilled, semi-skilled and unskilled personnel, joint ventures. The question becomes more complex under the banner of protectionism, East-West, South-North, South-South groupings, compartmentalisation of economics, monopolist tendencies in production, raw materials, markets, technology, transport and communications, trade and commerce, energy, minerals ore and resources are controlled by the few states exploiting the poor economies. A country having access over any of these, can exercise ample degree of influence in moulding her relations with others.

Since, this paper, "PAKISTAN'S ECONOMIC DIPLOMACY IN THE GULF: 1971-81" related to a very, geographically, strategically and economically, sensitive region for policy makers. But for my convenience I will deal with only the economic diplomacy. Here I am going to analyse and explore the economic interaction between Pakistan and the Gulf states during 1971-81.

1. Archeological evidences have increasingly established the existence of a common civilisation and culture on both sides of the Gulf and over vast areas of Indian continent almost 4000-5000 years ago. Even after this civilisation collapsed, contacts between the two regions continued and travellers and merchants crossed the seas which separated India making it a high way of ideas and knowledge. Indian and Arab merchants traded out not only in items of luxuries but also in the necessities of life which was to the mutual advantage of both peoples.

The first contact between the two regions and the people was through Arab traders-calling on the West Coast. Commerce between the two, dates back, of course to pre-Islamic times now however, due to the florescence of Islam in the later along with goods it also brought in new ideas. Both were equally welcome to the Indian people and more specially to the then rulers. So many Arabs settled down among them being freely allowed to build houses and social centres, Madarasas and

Mosques. The rigid caste system and social taboos prevalent locally, no doubt ruled out close fraternisation, but otherwise Arab-Indians relations thrived. Both sides were interested in and respected each others customs and beliefs. If they found something congenial in them they did not disdain adopting it.

Then, in 712 A.D. more or less as an out-crop of the Arab conquest of Iran-Iraq, the 17 years old Mohammed Bin Qasim over ran Sind. The physical confrontation too did not prison the psychological and ideological relations between the two, the conquering Arabs and local inhabitants in India. 300 years later this picture of Islamic tolerance was, however, shattered. The Ghaznavid incursions, who poured down from central Asia and Afghanistan, were animated almost equally by lust for plunder as by vengeance against all they themselves had previously worshiped... stated by the Subuktigin in 977 A.D.

When, however, the Delhi Sultanate was established (1206 A.D.) and regular government under Muslim leadership spread over a major part of north India a marked change for better occurred. The oft quoted words of Amir Khusrau can be taken as a representative index of the prevailing sentiment.

"We know that in this land lie concealed wisdom and ideas beyond computes. Greece has been famous for philosophy.

astrology, divination of past and future are known. In divinity alone the Indians are confused, but then so other peoples. Though they do not believe in our religion many of their beliefs are like ours.⁸ Means, the two regional areas had common things in most of the ways except religion and divinity. Both were having equally brilliant ideas and wisdom, which was non-comparable at that time. The influx of Sufi divines and saints, the establishment of their orders in India, the Christis, Suharawardis - powerfully influenced the lives and thinking of both the communities in India. Their messages of love, tolerance and brotherhood among all God's creature spread. Saints like Kabir and Nanak carried on the good work. The Moughal rule did not seriously disrupt it. On the contrary, the wisdom and long reign of Akbar the great succeeded in setting up an enduring social and administrative pattern of secular toleration, understanding, mutual appreciation and exchange of ways of thinking and expression. It was expedient that deviation from it was administratively suicidal when Aurangzeb tampered with it, the retribution was terrible. His successors desperately tried to revert to the old pattern but it had lost some of its creditability.⁹

The intrusion of the Britishers changed the whole complexion. Initially they too fought their wars and maintained their position on more or less the same lines as Moughals and other Indian contenders for Supreme power. Once established,

however, as the supreme imperial power they had necessarily to exploit every opportunity available - and if not available then create it to keep the opposition against them divided.¹⁰

The creation of Pakistan, 15th August 1947, out of the former British Indian empire and its emergence as an Islamic state is an important phenomenon in the modern world. Pakistan claims to have wedded in two geographical areas separated by more than 1000 miles into one nation. The basic and central issue is that Pakistan is an "Islamic Republic" decided by the constituent assembly of Karachi, Pakistan 22nd November 1953.¹¹

The aim and objective of the constitution of Pakistan passed by the constituent assembly of Pakistan, on March 12th 1949, declared: This Constitution of Pakistan resolves representing the people of Pakistan, to frame a Constitution for the Sovereign State of Pakistan.... Wherein the principle of democracy, freedom, equality, tolerance and social justice as enunciated by Islam shall be fully observed; wherein Muslims shall be enable to order their lives in their individual and collective spheres in accordance with the teachings of and requirements of Islam as set out in the Holy Quran and Sunnah.^{12(a)}

It was the concept under which, historically the new nation came into being and is the same concept which had shaped the history of Pakistan for three and half decades and will shape and determine its future course.^{12(b)}

Now the next very question is geography. As to the fact what I have said earlier is to prove my coming points. The question where does Pakistan geographically belongs. Whether it is a part of South Asia, Central Asia or is an extension of Middle East, the Persian Gulf.

In the literal geographical sense, the question where a country really belongs is meaning less, because it implies choice in what is to the contrary an ineluctable fact of nature. Politically however, the issue is fraught with different policy orientation for international as well as domestic purpose. Where the locations of a country has remained constant, its regional identity, both in its own eyes and those of others may shift, specially when it is on the periphery of a continent or the sub-continent. For regions like South Asia and Middle East rather arbitrary conventional designations. As Sea or a river or mountains, which may seem, "Naturally" to separate states in one technological epoch, may be no barrier at all in another. For instance, the Mediterranean basin was an historic cultural entity until the coming of Islam and its Southern "Margin, North Africa" has, since had more in common with the middle east than with sub-saharan Africa.¹³

Some other countries besides Pakistan with ambiguous regional identity, for instances, are Russia and Turkey (are they Asians or Europeans?); Egypt (is it a part of Africa or Asia?); and Japan (has it more in common with the so called

first world or north Atlantic or with its fellow Asian and African states of the under-developed, the third world?)¹⁴

The question, here is, what is common with Pakistan and with its sister states of South Asia but ~~and~~ not with her fellow Muslim Middle East, the Persian Gulf. The Indian Civil Service and the English language as a medium of inter-provincial communication among the modern elite and at least for North India and West Pakistan. The Hindustani (Urdu) lingua-franca of the ^mcomon people and literature the British common law and legal system. The British Indian Army, and integrated transportation and communication network, a constitution based on the British India Act 1935 and a common or a composite culture in secular areas, such as music, food, clothes, architecture cinema and sports.¹⁵

I do not mean in listing these common stands to underestimate the religious differences of beliefs and practice, which were the sources of conflict between the two clans Hindus and Muslims which had contributed the "two nation theory" and followed by the partition of India. They are the primary ties of Pakistan and the Arab World, the Middle East and Persian Gulf. But one must remember that many nationalities share some attributes with other peoples but focus on one which they do not. Thus the Dutch and Flemings shared language but not religion, as was also the case with Irish and English and the Christian and Muslim Lebanese.¹⁶

But to writers, scholars and strategists of the international affairs the conceptual unity of these states have always provided a convenient basis for analysts. Primarily because the great powers treated it as a single unit, from the border of Pakistan to the frontier of Libya and from the border of Afghanistan to the Atlantic.¹⁷ Until 1971 Pakistan had very close relations, physically, with Middle East, Gulf states, South and South-east Asia. But after the successful rebellion and liberation of Bangladesh from Pakistan in the same year not only cut off half the country but also shock many Pakistanis into a greater awareness of those aspects of their culture which they have in common with the oil rich Arabs. According to Norman Palmer, "It deprived of a its eastern wing and more than half of the population. Pakistan is bound to look more and more to south-west Asia and World of Islam."¹⁸

Some Pakistani spokesman go so far^{as} to assert that Pakistan should consider itself as a South Asian State. But this approach may provide only a balm for hurt pride, but it remains to be seen whether it can provide Pakistan with real security.¹⁹ "Symptomatic of this shift of self-identity was the foundations of "the journal of South Asian and Middle Eastern Studies" by Hafeez Malik in 1977 and the International Conference on "Islamic Pakistan, Iran and the Gulf" at Bellagio in 1975.²⁰ The Islamic revival of late 1970s in Iran coincided with a new

surge of revivalism in Pakistan, which was manifest in Bhutto's later years and culminating in General Zia's programme of Islamic reform. How strong ties are of the post 1971 Pakistan with the South-West Asia, which might lead to conclude that it really belongs to the Middle East. Now take up the religious factor, it has for many years the Pakistani love affairs with Middle East however, important it may have been domestically for justifying the country's own *raison d'être* was not reciprocated by the Arabs whose modernist leaders preferred to define their nationality in terms of language. The second factor is the movement of the people; by this measure the huge number of Pakistani have emigrated to work in the Gulf states must to the extent they have a positive experience here, be counted an important support for a West ward orientation by their home country after they return. Will they have learned the Arabic language? Is there any inner marriage going on?

Militarily, the plausibility of either a Pak-Turkish-Iranian federation or a wider Islamic defence community has been undermined by the weaknesses and unpredictability of post Shah of Iran. The Soviet occupation of Afghanistan has turned Pakistan's attention from its generation long feud with India to its vulnerable western frontier. In this geographical sense, the Eastern marches of the Arab World have been forcefully extended to include Pakistan, which the Arab had ignored. Viewed in an historical perspective, this mutual reorientation

may be regarded as marking a return to the norm. The territory that is now Pakistan was part of Iranian/Turanian empires under the Achaemenids, Alexander and great successors - Sakas, Kushans, Huns, Ghaznavids Nadir Shah and the Abdalis. Historically the North-west has largely remained separate from Central, Northern and Eastern India. The centuries in which it was politically united with India were few... The Mauryas, the Moughals and the British.²¹

The conquest of India by the Britishers and central Asia by the Russians threatened for a while in the 19th century a direct collision between great powers of based in the two sub-regions of Asia, "The Rim Land" and the "Heart Land" of geopolitics. Before a show down could occur, a mutual foe in Europe, Germany diverted rivals attentions Else where and Afghanistan was left as a buffer. Now a century after the buffer is in the process of being absorbed by the Czar's successors in Moscow. The British successor state, Pakistan has the unpromising alternatives of securing its western border (frontier) by the either alliance with its distant Middle Eastern states and China or by detente with its neighbour, historic foe India to the rear. (See Chapter dealing with security). In this military perspective the geo-political issue for Pakistan can be rephrased as "which is the more viable security community", the Middle East or South Asia.

This prescription implies that Pakistan is a part of South-Asia when the chips are down and that the middle east organisation of the past decade while logically, economically and ideologically plus ethically does not make sense, strategically. If Pakistan ever gets caught between India and USSR in a two front war, she could not survive as a sovereign state. Without that her common bonds or religion and culture with Middle East Asia. Politically, culturally, ethnically, as we will see in our coming parts, Pakistan is having much closer relations. Religiously, Pakistan is the follower of Islam and its very creation in 15 August 1947 was on the basis of religion and faith based on Islamic philosophy as propagated by Prophet (peace be upon him) Mohammed - 1400 years ago. Each and every government and their proposed or dragged⁹ constitution laid emphasis on this for cultivating brotherly relations among themselves based on Islam and the holy book 'Quran'. Throughout her national struggle and demand for self rule in Pakistan, Pakistani leaders always preached for a system which is totally different from the Indian. They always thought that Pakistan is the part of Muslim world and one of the heart land in Asia to propogate and to act for Islam and would play a significant role in coming years. Politically, Pakistan had always exploited for her Muslim mass, Islamic philosophy and her ethnic relations. As it always think that Pakistan, ethnically belongs to the same group.

The peoples of Pakistan belong in general to the Indo-Aryan group. The region however, has been the melting pot of several racial and ethnic strains. The pre-Dravidian and Dravidian stocks mingled with those from Central Asia. The Aryans, Nacterians, Persians, Arabs, Turks and Mongols. The final blend may be said to be predominantly ^U Caspian general type with some Mediterranean strains (as also in Iran, Afghanistan and the Persian Gulf. Indeed, the Iranian and Turkish strains predominate through, obviously there are several regional variations. In the northern areas, for example, the central and western Asian types are predominant.

In the N.W.F.P. and parts of Baluchistan the Pathans (of Pakhtoons) are administrators of the Turkic and Iranian strains. The Baluch trace their origin to the Chaldean branch of the Semetic race. In Punjab and Sindh the Indo-Aryan with assimilations of other strains from Asian predominate then are also the 10-12 millions who migrated to Pakistan from almost all the states of India. Overwhelmingly Muslim (96%) of Pakistan's 83 million population (1981 Census) includes 1.4% Christians, 1.5% Hindus, ^{and} 6000 ^d and Budhists.

CIVILIZATION :

One of the most ancient lands known to man Pak's excavated cities thrived before Babylon was built, its people cultivated the graces of good living and developed their civic

life 4000 years before the Renaissance. The ruins of the Buddhist monasteries in the north of Taxila, Swat and Peshawar lay bare the great tradition of the Gandharva school of art and sculpture; spawned by the impact of the culture of Greece and some on local craftsmanship. Down south flourished 2500 years before the Christ - the Indus valley civilization, one of the oldest known to man contemporary with those of Egypt, Mesopotamia and China. The remains of the Indus valley cities of Moenjodaro and Harappa astonish the world with their well laid out streets and brick built houses, complete with bath-rooms stairways and underground drainage. Even a municipal bath and a central grain storage also was provided. The Moenjodaro people were overwhelmingly^{ed}, probably by the Aryan invasion which triggered the great migrations into the area from Central Asia of Bacterians, Scythians, the Parthians, the white Huns, the Kushans, persians, Turks and Mongols. The Muslims appeared in 712 A.D. when the Arab general Mohammed Bin Quassim landed near Karachi. Starting in the 10th Century, Muslim rule over the region lasted till the 18th when the British became masters of the land, withdrawing finally 150 years of later when Pak was born.²⁴

A whole picture would come up only in my next chapter, but in a simple way, let me say so, Pakistan can play a tremendous constructive, security, economic, cultural role in that very region-Arabian/Persian Gulf due to her physical nearness-

ethnic religious, cultural and friendly relations with her vast economic resources. Economic developments, skilled and man power, military muscle and brilliant leadership-Pakistan is having a brighter time to do all these thing if other things are remaining the same.

Foot-Notes :

1. Bandhopadhyaya, J., The making of India's Foreign Policy, p.22.
2. Ray, A.K., Pakistan's External Relations World Focus, March 1981, p. 13.
- 3(a) Bandhopadhyaya, J., The Making of India's Foreign Policy, Basic Determinants, pp. 28-117.
- 3(b) Prasad, Bimala, India's Foreign Policy, pp. 481-520.
- 3(c) ~~Nehru, Jawaharial, Foreign Policy, p.~~
4. Nicholson, Harold, Diplomacy, pp. 84-97.
5. Morgenthau, Hans J., Politics among Nations, p.
6. Nicholson Harold, Diplomacy, pp. 28-40. 1981, p.03, published by League of Arab States Mission, 62, Golf Link, New Delhi, India.
8. Tyabji, Dadruddin, Islam and the Modern Age, Vol. III, No. 1, Feb 1982, p. 03.
9. Ibid.
10. Ibid.
11. Lewis, Bernard, The Ideological Orientation of Pakistan The Concept of Islamic Republic, p. 117.
- 12(a) Karim, A.K. Nazmi, Pakistan and the Islamic State, p. 123.
- 12(b) Ibid.
13. Theodore, P. Wright, Jr., Where does Pakistan Belong: South Asia or Muslim West Asia, Times of India, August 20, 1980, p. 6.
14. Ibid.
15. Ahmad, Muntaq, Pakistan's Foreign Policy, p. 67.
- ✓ 16. Theodore, P. Wright Jr., Where does Pakistan Belong: South Asia or Muslim West Asia, Times of India, August 20, 1980, p.6.

17. Ibid.
18. Ibid.
19. Ibid.
20. Ibid.
21. Ibid.
22. Ibid.
23. Pakistan-Land and People: Pakistan News Vol. 4, No.4,
15 Feb. 1982, New Delhi.
24. Ibid.

PAKISTAN'S INTERESTS IN THE GULF

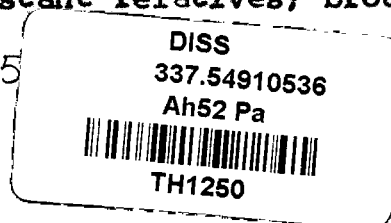
Pakistan is the state, even today after the 35 years of its creation its objectivity and rationality are being questioned. But in my mind the establishment of Pakistan was the fruition of history's biggest mass movement, whose direct aim was the creation of sovereign state within a defined territory to the Muslims of Indian sub-continent.²³ The movement for Pakistan rested on the sub-continental Muslims and the Indian National Congress. The main elements of this perception were a desire to regain the status and glory which the Muslims had as rulers and the belief that they were not getting their proper share in British India. It was during this period that Muslims acquired the feeling of being a community surrounded by hostile and unfriendly elements, acting wilfully to push Muslims down and humiliate them. As a result the sub-continental ^{Muslims} must thus turned for self-respect and validation to the Muslim world identifying with 'UMMAH' more self consciously than ever before including the period of Muslim rulers in India.²⁴ The focus on this aim was accompanied by a under consciousness of the political destiny of other Muslim world, living to the Pakistani borderland and an emotional identification with their parallel struggles against imperialism.

Pakistan's diplomacy since 1947, has been characterised by a preoccupation with India and a desire for painting with it as its two main strings. Conscious of India's overwhelming size, economy and military Pakistan turned in the 50's for help to the U.S.A. But soon it discovered that it was with India in 1965 that its alliance with U.S.A. and its military membership (SEATO & CENTO) presided over by U.S.A. were hardly any help when the chips were down.

It was Mr. Z.A. Bhutto who brought changes in Pakistan diplomacy. The decisive Indian victory in 1971 tarnished warrior image of Pakistani army and their pride had so nurtured seemed to evaporate.²⁵ The country had no other choice in terms of its national security policy, but to depend some other alternatives. Mr. Bhutto acted ably by deciding that south Asia is no more viable for Pakistan, but South-West Asia and the Gulf are more closer and viable. After that he was more concerned with the affairs of that region and his diplomacy was directed towards what he often called 'brotherly Muslim nations' of Gulf and the Middle East.²⁶

By acting that way Pakistan's whole thinking was based on the kinship theory, which says and for that anthropological research has revealed that organisation is based on an ideology of kinship, which stated that near relatives should unite indispute with more distant relatives; brother should aid brothers

X:5



TH-1250

against cousins; while brother and first degree cousins should act together in disagreement and hostility with cousins of the second degree.²⁷

The objectivity and rationality behind Pakistan thinking was that after the hostile kin (India) the Muslim brothers and cousins of Middle East, Persian Gulf and other Muslim states scattered all over the glob should help her in any external hostility with Pakistan. Economically they should come forward for the development of Pakistan economy with all the helps and hands. But this is a theoretical model and kinship may be forgotten or remembered according to needs of the moment. A close relative who has moved to a distant territory, would certainly be forgotten, while a non-relative lingering nearby might eventually be accepted as a long lost kinsman. Further more, a relative who is a trouble maker might be repudiated but a kin relationship might be manufactured with an individual who is economically or in either ways remain within the framework of the ideological mode.²⁸

The Middle East and the Persian Gulf is the meeting ground of the civilization of East and the West. To its inhabitants it was for long while of the civilised world of 21 known civilizations described by Arnold Toynbee 12 either organised in or are descended from others, which flourished in the region. These are the Egyptian, Persian, Sumerian, Hittite, Syriac, Babylonian, Frank Arabic, Hellenic and Western civili-

zations of the serving world regions 3 Judaism Christianity and Islam have their geographical cultural roots in the Middle east, Persian Gulf.²⁹

The history of Indo-Arabs (United India when Pak. was integral part of India) contacts has often been narrated but no thorough and scientific account of the past has been written with adequate realism. One of the best monograph written in India on, "Arab Navigation" (Urdu) by Maulana Sayyed Salayman Nadwi unfortunately in other accounts facts and legend are not clear.³⁰

Indo-Arab relations date back almost to pre-historic times objects found in Sumerian and Egyptian excavations proved of a traffic between the Gulf and the India before 3000 B.D. Indian ships with modest sails and innumerable oars carried Indian products such as spices and pearls, cotton and silk shawls and precious stones to Arabia and Mesopotamia. They brought back coral, silver, vermilion, lead, gold, rose water and saffron. The peoples of Indus Valley had intimate contacts with the peoples of Sumerian and Trade relations existed between Indians, Egyptians and cretiave.³²

In religion too, India had his emissaries. It is now certain that Buddhism prevailed in West Asia in early times.³³ Al-Biruni (Died 1048) substantiates the claims of the emperor Ashoka and Mosul upto frontiers of Syria came under the

influence of Buddhism and to some extent Indian culture had entered very early into the very heart of Middle East.³⁴

The Arabs in Abbasid times (7th Century) began to take on interest in Indian literature. The well known collection of stories "The Panch Tantra" was translated into Arabic and similarly, the 'Hitopdesha'. Some historians are of the opinion that the 1001 nights (known as Alif-laila) contains Indian stories as well. But infact it is a work of such infinite variety. In the field of medicine the evidence is cogent and the give and take was mutual. In the persian University of Junde-strapun, Indian physicians worked with their Arab and Persian colleagues. Evidences has already proved of Indian books being translated to Arabic. The Tibb or the ancient Greek system of medicine took firm root in India via Arabia and Persia. The Hamdard is modern magnificent example of Unani system of healing.³⁵

This linkage with Pakistan, after independence national impulse and the urges of Muslim emancipation has a long and continuous background. The brain behind Pakistan and the Muslim minds in the sub-continent remained with a passionate and unparochial concern for the solidarity of the Islamic millat (community). Pakistan's intellectual leadership never allowed this concern to degenerate into a rebellion sentimental attachment, unperceptive of the historical process.³⁶ In a press interview Mohammad Iqubal stressed that Pan-Islamism, Pan-

humanism never existed except in imagination of those who invented the phrase. Even Jamaluddin Al-Afghani never dreamed of a unification of Muslims into a political state. In no Islamic language-Arabic, Persian, Turkish, does these exist a phrase corresponding to Pan Islamism.³⁷

It was on the basis of such awareness of contemporary realities, that muslims extended their concrete support to anti-imperialist movement in the Muslim world whether in palestine, Egypt, Indonesia, Tunisia and Morocco.³⁸

With this background it would have seemed axiomatic that Pakistan's relations with other Muslim states should follow a steady, untroubled, uncomplicated course. A close examination of the record reveals that the actual passage has been somewhat erratic. Many factors both domestic and external have intervened in such a way as to make these relations vary from one state to another. The attitude of the nation as a whole no doubt remained unchanged but there have been marked fluctuations in the degree of understanding and co-operation bilateral or collective, between Pakistan and other Muslim states.

Pakistan has very vital interests and responsibilities in the Persian Gulf region, due to her strategic locations, economic and scientific developments, vast economic resources and infrastructure, technological innovations, military power and world wide role played by her individuals and government at various level of peace and understandings.³⁹ ✓

09

The vast regions of Gulf states, rich in oil human as well as agricultural industries and mineral resources palm, dates, cotton, tobacco, pepper, wheat, iron, phosphate, copper, magnese and there are areas desert which have yet to be surveyed and may prove to be the repository of many valuable untapped mineral resources. With this world Jinnah wanted to have a close relationship.⁴⁰

The new found oil wealth and set back through out the region, Iranian revolution, Russian occupation of Afghanistan, Iran-Iraq, war, Lebanese crisis, West Asian boiling situations, super powers' increasing involvement in that very sensitive region. Deployment of forces, conventional weapons, establishment of bases, armament spree, created an international awareness and importance to the region. These factors have given much set back to world economy, peace and understanding as well as the security and prosperity of the region. Along with this system Pakistan too has been seriously affected by these developments directly. Firstly due to her backwardness and economic dependencies^{over} world mostly the Western industrial states and international agencies. Since Pakistan depends over Gulf states for her 90% petroleum, the situation become worst. And secondly due to the security. Since Pakistan is the state, with the turmoiled borders Iranian and Indian side also is a backdoor states of the Gulf and if any ones security territorial integrity is in danger next one would also the force in near future.

About the other factors we have already gone through earlier. But my succeeding part will deal with Pakistan's two challenging interests - security and economics in close terms with the Gulf states and region.

SECURITY :

Most of the time "security" is narrowly understood and analysed in terms of armaments and defence expenditure, security alliances and arrangements. But these are merely manifestations of geopolitical realities and underlying historical processes.⁴¹ But in the wider sense and in terms of international politics it is the result of the complex interplay of internal political situation and international posture, errupted by domestic situation and political compulsion of a particular regime, the degree of economic development, nature of dependence on foreign assistance, historical legacies which cannot transcend overnightly and the global situation which is creating complexities in all the spheres-economics, politics, security.⁴² Even in the 19th century, which compared to our own age was technologically backward and primitive not all the states possessed within their frontiers the means of self-defence. In the absence of any system of collective security, the small states had perforce to rely on treaties and alliances with other states in order to save themselves from being overpowered and occupied. Powerful states felt afraid of those who were still more powerful. Both fear and ambition played their part in contributing to the

instability of the continent and leading to alliances which became a characteristic feature of European relations.

Germany has its allies in the Austro-Hungarian Empire and France in Russia. Isolated from the continent and commanding the important trade/sea routes to America and the East, Britain's position was different. Protected by the Channel and its great navy it could throw its weight on either side and thus exercise a decisive influence in any major conflict between the rival groups.

After the Second World War and collapse of colonialist powers the smaller states asserted their voice to independence and security at the San Francisco conference. The changes they proposed at Dumbarton Oaks proposals were voided at limiting the privileged and prerogatives of the great powers. They demanded that the charter should safeguard human rights, ensure their equality and territorial integrity. And almost all of them being victims of power politics insisted that the charter state as an international obligation that nations act within the framework of law and justice.⁴³

Since most of the countries in Asia, Africa and Latin America liberated themselves from colonial rule through revolutions, revolts, wars and pressure of international events and established their identity as separate sovereign states, carrying with their new states the power not only to manage their internal affairs but also to order their external relations. It was

a process in which the multilateral state system rapidly extended to Asia, Africa and Latin America. The end of the liberation struggles was the beginning of the struggle for survival. The emergent states endowed through many of them were with rich natural resources, were technologically, financially. Scarce and backward during the past. The progress has been deliberately retarded under colonial rule exploited as they were source of cheap raw materials and markets for European manufacturers.⁴⁴

The influence of great powers in world politics has however, suffered no decline for in the last analysis it is with them that the power to make war or peace has always rested. They have seldom hesitated to use their superior resources and military might to expand their territories or extended their spheres of influence over their weaker neighbours. The interests of the small states on the other hands have always been of a limited nature, rarely transcending their frontiers. The progress of the West in Science and Technology, by adding enormously to the power and strength of the great powers has rendered the small states increasingly incapable of defending themselves against outside aggression. The security of their frontiers and the preservation of territorial integrity and not outward expansion has generally been the aim of their foreign policies. The existence of the small states side by side with the great powers are therefore, not a

unique phenomenon in international relations. What was unique about the post 2nd World War is that there were too many small states and too few great powers. While the number of great powers had been reduced their power has been vastly enhanced by the an inspiring scientific inventions and technological achievements were scientific knowledge fairly and widely spread, every nation would have an equal chance of survival and peaceful existence. But its monopoly in the hands of two great powers, can only terrorise the small states into submission without any fear of revolutions and revolt through which they wrested their independence from the colonial powers.

The freedom of action of the small states in Asia and Africa is consequently greatly circumscribed. Whether they are aligned or non-aligned, the choice is not freely made but dictated by the force of circumstances in which they are placed. Ideology is in consequential when survival is at stake Pak. too is the product of same crop with the problems of security and survival. But the concept of diplomacy as an instrument of defence was totally new to the peoples of Pakistan. It was the field in which the Pakistani decision makers were not directly or indirectly concerned before independence. The Pakistan movement had produced no impact on the outside world and consequently, had no international links with external countries or movements. But after its independence the Pakistani leader thought for a viable policy that could safeguard its security

without reducing it to subservient and later period it became the major objectives of its international effort. Pakistan could not remain isolated and inactive internationally. But being inexperienced in the art of diplomacy it was not fully aware of the means of protecting its basic national interests. Besides, the international situation to which adjustments had to be made, was full of complexes and grave uncertainties. This power equation obtaining before the war had undergone a complete change. The most astounding change was that the two super powers acquired a dominant say in shaping the course of events in the post war era. Such was the extent of their influence and impact on world affairs that without a definition of the attitudes towards them - no realistic approach to the problems of foreign policy or diplomacy was possible. Britain and France had been reduced to the status of satellites of U.S. As for security of (south Asia) as a region is concerned it is bounded by semi-arid pastoral South-west Asia on the West, monsoon lands of South-east Asia on the east, the Himalayas and the Tibbeatain plateau on the north and Indian Ocean on the south, occupies a unique geographical location in Asia.⁴⁵ Due to its central portion on the Indian Ocean and the main trade routes between Atlantic and Pacific Ocean via the Cape of good hope or Mediterranean Sea. Before going to deal with Pak's security it would be, ~~for me~~, possible ^{for me} to see South Asia as a whole since Pak is a new nation with new boundaries. We will take up South-Asian security to justify my coming ^{directly} at the Suez

canal and Indian Ocean, this sub-continent played an important role during the period of colonisation. After the 2nd World War the region again became important to the countries of the west for the containment of perceived growing communist influence nationalist and non-Aligned movement in early 50s in Asia.⁴⁶ So the western powers tried its best to involve the countries of this sub-continent as an active members of their military blocs.

GEO-POLITICAL SETTING :

Pakistan's geopolitical setting is very crucial and unique. Between the sea in the South and the 3 highest mountain ranges Himalayas, Karakoram, Hindukus, in the north, its Central position in South-Asia is accentuated by her borders. India lies on its east, on the south-west Iran, on the north and North-west Afghanistan Pakistan shares a common border in the China upto north through occupied Kashmir region.⁴⁷

Historically, Pakistan has lain on the ancient world's invasion routes as well as the travel trail from Europe to Asia. The Silk-Route, part of this romantic trade and travel route traversed by the world famous tourists-Marcopolo. The Chinese Monke-Fahien, Huen Tsang and Arab historian Al-Biruni.⁴⁸ ~~What is~~ transferred is now ^{has been} transferred to a all weather Karakoram high way which links Islamabad to Kashgar (Pakistan), Urumchi and other fabled cities of Chinese Sinkiang. The only difference today is that gaily painted trucks and lorries have

replaced the shaggy two humped 'bacterian camels to spur a brisk border trade between Pakistan and China.⁴⁹

Pakistan's North-West frontier is a part of the mountain system that is linked with the plateau and hills of southern Iran. In the north the Sulaiman range runs north and south above the Indus plains.⁵⁰ There is a coast of 472 miles but because of lack of rain falls it is entirely and the mountaineous. The harshness of the nature probably explains why although many of the great civilizations had send conquerors through the area Greek, Arabs, Hindus, Turkistan and Persian and there are few surviving traces of their passage.⁵¹

A new frontier was created from Rann of Kutch to Kashmir between India and Pakistan on the Western side in 1947. This as well as the Indian-Pak frontier in the east ran through broad plains and created immense defence problems to both before 1971. The northern frontier of India running about 1500 miles along the Himalayas which remained and posed no threat to the security of sub-continent for long, but suddenly became alive and active soon after Chinese occupation of Tibbet and Indo-China war. And thus mountain and hills made it clear that they were no more vulnerable and no more impassable barrier where there is a hostility between the two states.⁵²

Pakistan does not posses strategic minerals in huge quantities but it has substantial amount of Iron ore, coal, mica

magnese, alumunium, magnesiam, titanium and uraniam with fertile land producing variety of cereals. It is at present deficient in the energy resources, but there are the prospects of further resources Hødel, thermonuclear, atomic and others. It has largest skilled and scientific base among all the Muslim world starting from spinning to atomic Reactor, its intellectuals and technocrates managing and operating very complex machineries and systems of the economic world.

The Gulf :

The Islands waters surrounded around the country (territory land) is known as Gulf.⁵³ The Gulf covers an area of about 97,000 sq. miles. Between the Gulf and open sea lies the Gulf of Oman. The length of the Oman coast to the head of the Gulf is 500 miles it is about 180 miles at its widest but narrows down to 28 miles at the strait of Hormuz.⁵⁴

There are 8 states namely Iran (area: 1,648000 sq. kms, population: 36,36,5000), Iraq (Area: 436,466 sq. km., population 12,500,000), Kuwait (Area: 17,818 kms., population 11,160,000), Oman (area: 120,000 sq. miles, population 837,000), Saudi Arabia (area 2,148,69089 km., population: 7,730,000), Bahrain (area: 369 sq. km., population: 275,000), Qatar (area: 4,000 sq. miles population: 205,000), UAE (area: 32,000 sq. miles, population 8,75,000). All population census based on 1979, connected with the shore of the Gulf. They are very different in size, popula-

tion, resources and developments. The PG is the harbinger of Islam. Majority of the population are sunnis and speak Arabic, except Iran where majority is shias and speak Persian. Their governments are headed by Monarchies, Amirs, Sheikdoms and Hereditary families military elites. Oil is the chief natural resources which dominates the world economy today. Phosphate Gold, uranium in Saudi-Arabia iron, gas in Iran and Iraq are the recently surveyed valuable minerals and resources. Both Iran and Iraq are agriculturally rich, fishing and pearl fishing is also common in small Shieksdoms like Bahrain, Dhubai, Sharjah, Fuzaria.⁵⁵

All are mostly underdeveloped in all the spheres of economies but are picking fastly the very modernisation and industrial skills, and managerial expertise. But still they are dependent for innumerable things labour, sophisticated technology, goods and services over alien states.⁵⁶ More surprinsingly for me is that at home they are facing acute shortage of technicians, doctors, engineers, scientists and skills for rational build up but their own sizeable chunk of skills over 150,000 specialists, including 24,000 doctors, 17000 engineers, 7,000 scientists and 200 atomic scientists, researchers are now immigrants to western states. According to a study 50% doctors, 23% engineers, 15% scientists are now abroad. Over 70% of these were qualified experts of international levels adding 50,000 Ph.D. holders - Arabs immigrated to the U.S.A. alone. Britain

is the 2nd absorber of Arab brains after U.S.A.⁵⁷ In ancient times Gulf has many names. From time to time peoples of this region called it with different ^{names} but the resources provided us with the earliest names far known for Gulf. Among these: The Great sea (Tantum Rabitum)

- (ii) Sea of the Risingsun (Tantum Shasit Shausi);
- (iii) The lower Sea (Tantum Shaplitum);
- (iv) The Great sea of the rising sun (Tantum Rabitum sha sit Shamshin);
- (v) Sea of Chaldea (Tantum Shamal Kaldi); and
- (vi) The bitter River of Bityakim (Narmarrat Sha Sit Yakim).⁵⁸

The name Arab-Gulf (Sinus Arabicus) was first used as far evidence permits to say, by Strabo, the well known Greek geographer of Asia minor (50 B.C. - 23 A.D). During the Arab Islamic era the Arab Gulf, or parts of it, were called by other names - as the Gulf of Oman; however, due to the Persian domination for some centuries many inclined to call the Arab Gulf by the name of Persian Gulf. Though it is not correct to say as for the two coasts of the Gulf are heavily populated by the Arabs even though the period of Persian occupation.⁵⁹

SECURITY..continued....

As ideas, events and military alliance and technology changes so does the meaning and significance of boundaries. Redefining of its territories in new situation when both India

and Pakistan, demarcated their land with new international boundaries and thus legitimating their boundary with the existence of two nation.⁶⁰ After the 2nd World War, there was an awakening in the new nations from Casablanca to Djakarta from Cairo to Nairobi and beyond, the African, Asian and Latin American states shouting and responding to 'UHURU' 'ALLA-HO-AKBAR and MERDEKA. Pakistan was product of the same which later established a close relationship with these constellation on the basis of cultural, ethnic economic and ideological grounds.⁶¹

Since security of a state depends upon a vigilant frontier and frontier policy and many mighty empires of Asia and Europe collapsed because of mistaken frontier policies and unprotected frontiers either by not keeping their frontier intact from incursions or by allowing border skirmishes to develop into major conflagrations with neighbours.⁶² The pre 1971 Pakistan consists of two wings East and West, separated by the breadth of India a 1000 miles by air and 3 times that distance by sea. The two parts differ considerably from each other in terrain, climate, economics diet customs, language, ethnic structure and traditions. The only unifying factor was Islam.⁶³

Thus unlike others Pakistan had 8 boundaries till 1971. It had inherited many pre 1947 boundaries in the Afghanistan, Iran, Burma. These are historical boundaries, since they had

existed before Partition. Pakistan's borders with India may be described as new international boundaries or 'Inward frontiers' as they had not existed before partition, but were the direct consequence of the division of the sub-continent.⁶⁴ Since 1947 Pakistan controls the disputed territory of Jammu and Kashmir some of these frontiers had never been properly demarcated. China is another case in point, even though Pak. joined SEATO and CENTO and thus became a party to an alliance which was ostensibly directed against communist China, it seldom if ever, appeared to deviate from the path of good neighbourliness with peking.⁶⁵ Indeed in a curious way, Pak's desire to beat peace and maintain good neighbourliness with China was given a new urgency in the aftermath of SEATO inception and US-China equation in early 70s.

But since her very inception, Pak is involved in a bitter and prolonged struggle for her security and existence.⁶⁶ The goal of promoting the country's security has been a dominant factor in determining Pakistan's diplomacy through out 35 years of her existence. In fact it is not only Pakistan which seeks and bought security from alien and outside region, primary objectives of every state, big or small, is to safeguard its independence and territorial integrity. In Pakistan's case this concern has been much exaggerated.⁶⁷ No big country, USA USSR, China are loved by its neighbours, though it may be feared very often disliked, sometime even respected.⁶⁸ Pakistan's security consciousness was tested in many different ways.

Fortunately Pak's relations with Iran have always been cordial, with the result that both sides have promptly dealt with any questions arising between them. This cannot be said about Afghanistan and India. Relations with Afghanistan have also been influenced by boundary disputes involving major territorial claims. In this case, on the basis of ethnic considerations advanced by Afghanistan, Pak's clear attitude towards the issue of Pakhtunistan and Durand line have consistently been combined with practical efforts to develop good relations with and to promote cooperation with that country. But Pakistan was perturbed in 1947 when Afghanistan opposed her membership of UNs. Even the Soviet occupation of Afghanistan made Pakistan nervous about the potential danger to its security from across the north west border.⁶⁹ To discuss about Soviet Union, in a new international situation, developed by its presence in Afghanistan and its global powers. The shadow of Moscow's policies always influenced Pakistan in the past due to her nearness with China. The development in the Middle East and later relationships with India also gave an impetus to Pakistan military and diplomacy about Russians.

The Soviet Union, though strictly not a neighbour is nevertheless a neighbourhood state whose importance to Pak as historical legate of the 19th century buffer state systems and today as a great power is unquestionable. Further Russian occupation of Afghanistan brought them to the borderland state

of Pakistan that is why Pakistan's diplomacy towards USSR has therefore, always displayed a special sensitiveness. Firstly, there was a move in 50's to align Pakistan closely with the West, through military alliance. It was basically Pak's quest for security, which caused it to abandon its policy of neutrality of the early post-independence period to enter SEATO and Baghdad (later CENTO)pacts. It placed Pakistan diplomatically at a disadvantageous position. Pak lost its standing in the Afro-Asian world. It also alienated Russia.⁷⁰ Even Saudi Arabia says it a treacherous and a foul play and called Pak to come back to old fold.⁷¹

To not talk about China with its relations with Pakistan would be unfair since China is the vocal supporter of Pakistani move and diplomacy over all the forums and more specially its diplomacy in the Muslim world. No doubt China may have its own strategies but since later is a supplier of military hardware, trainees and one of the reliable friend of Pakistan having strategic connections with Pakistan through Karakoram and Pakistan occupied Azad Kashmir. So it would be more feasible to have a look at that because these are the Pakistani sources of strength and through them Pakistan could play a significant role in Gulf and Pak security. Although initially its alliance with USA placed Pakistan in the opposite camp in the 60's Islamabad edged closure to Being.⁷¹ This was a time when Pak was disenchant-
ed with US Pro-Indian moves. Following the failure of Chou-
Nehru talks on Sino-Indian border.⁷²

Thirdly, the policy of bilateralism adopted in the 70's was designed to promote country's security by seeking equally friendly relations with all big powers. Its aim was to strengthen security by ensuring that none of the major powers felt threatened by Pakistan. The Soviet Military occupation of Afghanistan in 1979 created a situation in which Islamabad feels the country's security is threatened from the Durand side. The Pak Government has turned to US for the security and sophisticated arms. Pakistan's diplomacy has been profoundly influenced by its location in close proximity to two global powers - USSR and China.⁷³ ✓

As I have told you, it is separated by a narrow strip of Afghan territory, the Wakhan from the USSR, Pak shares a border with China through the north areas of Kashmir under Islamabad. Situated as it is in a strategic region on the littoral Indian Ocean and acting as a transition zone between the middle east and south Asia Pakistan has been subject to numerous pulls and pressures. Its proximity to Soviet Central Asia has been described as 'Soft underbelly' by the USSR and its contiguity with China's sensitive province of Sinkiang and the Himalayas region has also imparted a special significance to Pakistan.

This proximity to states much larger than itself in all the way has produced two effects on Pakistan. First its options in diplomacy have at times been severely restricted and Pak has

not been in a position to exercise much initiatives. It has been forced to formulate responses to developments triggered off by events beyond its control. To be successful diplomacy in such circumstances, demands great skill and foresight and judgement, which have not always been forthcoming in Pakistan. ✓

Secondly, relations between major powers and developments in the world politics have always produced a profound impact on Pak's diplomacy. Thus the ups and downs in the relations of two super powers, Sino-American ties and Sino-Soviet dealings have made a deep impression on Pakistan's own equations with each of these states as well as with other countries. Islamabad has found it difficult to insulate itself from the global politics.⁷⁴

Relations with India have emerged as a major factor in Pakistan's diplomacy. Since her very inception the pattern followed by Pakistan was that of "my enemy's friend being my enemy".⁷⁵ In the last 30 years Pakistan has made various efforts to seek security through a false equation with India based on borrowed strength and it has failed miserably in those attempts. It had not only lost two wars with India but about half of its part. After Simla agreement it appeared as though Bhutto had decided to develop a West Asian identity for Pakistan and to disengage his country from the obsession with India.⁷⁶

PAKISTAN AND GULF :

The ideological orientation of Pakistan's diplomacy has manifested itself in the links it has forged with the Arab-Gulf states in the key role it has sought to play in promoting Islamic unity. Liaquat Ali in 1950 says in a press club speech "culturally we feel a natural affiliation with other muslim states and our relations with them are of the friendliest. We are keenly interested in the progress and development of the ME-Gulf states and in their maintenance of independence. I do not wish you to enter that I am talking in terms of powerbloc. I am merely talking of natural religious links, common culture and identity of interests that exists between the peoples of these countries and our peoples links that will stand the strain of many a test and will, I am sure prove a stabilizing factor in Asia. 77 ✓

The thrust towards the Gulf became even more profound in the post 1971 war, when the links between east and west wing of Pakistan was severed. The moves to institutionalise unity in the Muslim world has also received full support from Islamabad. 78 But during last 10 years Pak made efforts to align herself with Islamic bloc and non-aligned states. The identification with the Islamic world was a continuation of Jhutto diplomacy and also an attempt to get increased legitimacy for existing regimes. Its contribution in making the 2nd Islamic conference at Lahore, 1974, the success was immense. Even otherwise Pak has

played an active part in all moves towards unity undertaken by Muslim world initiatives.⁷⁹ The U.S.A. has not yet recovered from the shock of the fall of Shah of Iran. It felt that its diplomacy towards the Gulf and south west Asia has failed miserably and Soviet Union had achieved a disproportionate advantage in the area. The need for a new diplomacy was urgently felt and it was thought that Pak could play a significant role as a 'frontline state' in the region. Since, Zia-ul-Haq has already declared Pak as a back door, to the Gulf and noted "unless the back door is safe the Gulf is also safe".⁽⁸⁰⁾ The USA came round to the view that building up of Pakistan military should be an essential part of the plan to strengthen the Gulf security. That is why Pak has developed a close relations with the Gulf states after 1971. For many years it has been training armed forces personnel from a dozen countries largely of Arab Gulf in her military academy at Kakul its counter insurgency school at Quetta and its bases in Sargodha and Peshawar. It has displayed contingents of its armed forces in friendly states of the Gulf region.⁸¹

Pakistan has emerged as a potential military power in the region, having cordial relations with these Gulf states and an pro-west diplomacy. After the fall of Shah the state has been looking for a gulf police man to take and fulfil the US interests in that region. The US support to Egypt in the light of camp David degenerated the situation. The gulf states do not

want an active US military involvement or presence in the region because of domestic compulsions. But at the same time they wish to maintain cordial relations with it because of their security needs and Pakistan can indirectly fulfil that.⁸²

One crucial question would be, what would happen in Gulf-Asia after Khomeini's departure from Iranian scene. There are greater chances of Chaos and total breakdown of central authority. If this happen Pak with its well trained army and support from Saudi-Arabia and the Gulf states might well manage to step into Iran in the name of restoring central authority and serving the country in the interests of Islamic world. If it succeeds Pak would move a step closer to glory it has been searching for all along.⁸³ And its not only from where Pak can crop up a diplomatic or military success. It has similar opportunities in the Gulf states.

But hereby since Pakistan has already rejected the theory of 'Front line State' or 'Conduit for West' and soft attitude towards and in dealing with Soviets. I think Pakistan needs time to prepare herself for the role it has to play in the Gulf region.⁸⁴ Pakistan takes every opportunity to applaud Russians. It could well be that Pak is working silently for an eventual approachment with the USSR in the hope that Soviet will take other ways, when the time come for Pakistan to play the part it desires in the Middle East and Persian Gulf.⁸⁵

The only alternative to its Gulf - Asian diplomacy is reapproachment with India and willingness to work with the late in protecting and promoting their interests, keeping the Indian

ocean, free from super powers presence. On purely objective grounds of geography showed by common culture, history and needs of economy these cause no other option which is more rational and immediately available alternative than close ties with India ^{and} with the Gulf.

In summing up Pakistan's security needs very much depends upon the secure frontiers of India, Afghanistan and Iran with a closure ties with neighbouring states. Pakistan's potential will give her an opportune time to act to play and to decide the future course of diplomacy in sovereignty, integrity and security of not only of Pakistan but also of the neighbouring states in general and Persian Gulf states in particular. The degree of Pakistan's relations with Gulf states will also aggravate the degree of successful diplomacy in all the fields with other states, super powers and with Muslims world.

MILITARY COOPERATION :

I have already dealt with Gulf-Pakistan and their security aspects. All these was totally based on military cooperation between the two, but strategically. Economically the relations between the two is not well settled due to the market and production factors. Production wise, Pakistan is not the producer of sophisticated arms which they needs technically even pakistan and Gulf is not in a position to help each others at least in these matters. But Pakistan could do something in terms of army personnels, repair works light arms spare parts, light

weapons and their training, training for tanks, aircrafts, navy engineering and so many other things. Since Pakistan is quite capable of handling and in producing some of these things, and since all the heads of the Gulf states including Pakistan, from time to time stated for a military cooperation. On the regional basis to protect their territorial-sovereignty and for mutual interdependence in military terms to avoid dependencies on foreign firms for their security needs. They need for a useful comprehensive military programme which unfortunately did not come up yet.⁸⁶ But recently, after 1971 and more specially one can say after 1973 oil price bonanza, military cooperation with the Gulf states has been progressing steadily. Since then Pakistan has concluded protocols for cooperation in the military field with Kuwait, Iraq, Oman, UAE, Saudi Arabia. Under these arrangements Pakistan is providing training facilities in Pakistan defence institutions to the military personnel from these countries. It is also sending its defence personnel on deputation to these countries for imparting training and technical advice to their armed forces-personnel. Since 1971, training facilities in Pakistan have been extended to personnel from the countries mentioned above and also to Bahrain, Iran, Jordan, Qatar, Syria, Sudan and PLO.⁸⁷ Datas are not very sufficient and more frankly military transactions between Pakistan and Gulf states are very few, or you can say in its first generation and coming up steadily and the regional and

global circumstances has pulled them to come across and transact with each other. But some activities in terms of give and take is there. Like few countries of the Gulf importing light weapons from Pakistan factories. And Pakistan Government has been trying continuously to persuade friendly Gulf states to invest in expanding weapon industries. The UAE airforce, which has some Mirage fighter jets has had its French aircraft repaired in Pakistan. Pakistan had signed an agreement with Iran to supply Pakistan built 800 TOW Navy vessels to supply to Iranian Navy. These Cargo vessels are 19 in number. Pakistan is already running a Saudi-Arabian Navy groups building by French collaboration and Pakistan engineers are helping in building the new military cities around Saudi Arabia. Instead of that Pak has already stationed 2 Pak division (30,000) arm personnel in Saudi Arabia. Pakistani pilots have been flying in air forces of Gulf states for 15 years and even Omanis has 10,000 troops recruited from Pakistan's Makran coast. Gulf countries has extended financial aid to Pakistan to buy weapons, both conventional as well as light, aircrafts, missiles, tanks, APCs, Transport and communication systems in infra^{red} systems for night war etc. Alone Saudi Arabia has extended more than \$ 1500 million for the same purposes.

Further, under the new Gulf scheme of GLC Pakistan can play a significant part role in military aspects. Though

Pakistan, legally is not a GLC member. And again it is too early to say what shape the GLC will take in future ultimately but the Gulf state form a natural region floating on the sea of oil and can certainly come together under the penumbra of new consortium. They will have to hasten ^{rapidly towards cohesiveness and} pool their emence resources to form a common bulwark of defence in response to the new challenge, with the possible participation of Pakistan in that.

PAK-SAUDI ARMS LINK :

Today both Saudi-Arabia and Pakistan are facing a similar security problem. And both feel the need to formulate responses that are separate from their interaction with the USA. Recent developments have made both the states extremely nervous. They perceive threats to their security to be multiplying while their capacity to face the threats alone has become inadequate to the task. Specially the fall of Iran has focussed attention on their vulnerability. For both Saudi Arabia, Pakistan, the Shah's fall was a dramatic example of the inability of a sophisticated but spotty military arsenal to provide protection against internal upheaval and external exploitation. Again Pakistan accepted Shah's role as the protector of Pak security only with considerable enthusiasm and Shah's depart^{ure} ~~the~~ ^{he} left Pak feeling hopelessly exposed.

Again, Ayattullah Khomeini's periodic calls for to overthrow the regional corrupt and un-Islamic regimes are a

source of major concern. Despite the cordiality of official contacts Pak does not have a satisfactory mutual relations with Iran after 1978.

Consequently, the cultivation of closure ties with Islamic nations was amply rewarded when the quadrupling of oil prices in 1973 gave the oil producers economic as well as political clout. Saudi Arabia in particular with one quarter of the world's proven oil reserves, not only acquired great political prominence as enhanced revenues strengthened its economic hand but also became politically vulnerable. With these developments a mutuality of needs surfaced between Saudi Arabia and Pakistan that made it desirable to establish closure ties.

But Saudi leaders remain well aware that their own perception of vulnerability mean with Pakistan's insecurity in the presence of the Soviets in Afghanistan raises the possibility of a two front war. Developing a military relationship with Pak offers Saudi an intermediate option between relying on its own limited manpower and the full force of a US response. In this context, a military relationship with Saudi Arabia not only offers Pak economic benefits and material assistance but equally important also gives Pakistan a psychological shift towards its Islamic roots. It also buys a medium of security for Pak by taking the perceived threats from the USSR and India. Outside its South-Asian setting Islamabad is well aware of US commitment to Saudi Arabia.

A Saudi-Pak link themight expand the US-Saudi commitment either implicitly or explicitly to the defence of Pakistan. Additionally the emerging bilateral relationship offers a chance of a regional response to domestic and international crisis where USA involvement either is not warranted or is a liability. It also puts to rest the sentiment that no nation save the USA, is willing to assist Saudi Arabia.

The notion of joint security interests was discussed during the then Crown Prince Fahd's visit to Pakistan in December 1980. The prince openly declared that Saudi Arabia envisions its security tied to Pakistan's and that any interference in the internal affairs of Pakistan would be considered interference or injury to the kingdom of Saudi Arabia. Using the maritime perspective the interests of Saudi Arabia Pakistan and the USA converge and the strategic territory of Saudi wealth, US military technology and Pakistan soldiers make eminent sense in terms of Pak security. The precise nature of the Saudi-Pak relationship is unknown. Analysis is that if the Pakistanis stationed upto two combat divisions in Saudi to support the defence establishment there, the effect on US national interests in South-west Asia (Gulf including Pakistan) would be salutary. The relationship is certainly advantageous to Saudi Arab and Pak reap military, political and psychological benefits as well. In the short term, the enhanced regional stability that would occur from such a relationship would af-

ford the US and its allies access to the needed oil but in the long run, US interests would be better served by non-military means. The extreme vulnerability of the oil-field and the great difficulty of restoring them to operation once damaged point to a preferred policy of oil independence. But until that policy can come to fruition, the US must be prepared to respond with military forces in peace, crisis and war.⁸⁸

The military relationship will have a significant, if a somewhat different, impact on Pakistan. It will offer Saudi patronage which will underwrite Pakistan security as it also offers legitimacy for Pak's Islamic credentials - a main theme of its current policy specifically, the relationship will most likely have the following effects.

(1) It offers a sustained economic boost to a country that is constantly in need of financial assistance. Saudi Arabia could help offset the costs of future increases in the prices of oil which in 1960 alone amounted merely a billion dollars. Equally important is the prospect of institutionalising Saudi economic assistance, which has been generous but sporadic.

(2) The Saudi connection offers the attraction opportunity of modernizing the Pakistan armed forces. By tying Pakistan to Saudi security, Pak increases the possibility of securing

sophisticated US weapons system because of America's declared policy interests in Saudi stability. Quite apart from the advantages of updating Pakistan's aged weaponry, the Pak military may benefit in the sense that they now have access to US military technology. Psychologically, Pakistani policy makers can break out of the "Siege mentality" that surrounds their search for ways to increase their military preparedness. Even if modernization does begin immediately, Pak by training on the complex US equipment that the Saudis will buy, be ready to use the equipment when they can purchase it themselves.

(3) The Saudi relationship hands the current Pakistani military government a popular issue. Z.A. Bhutto had sought closer relations with Saudi-Arabia and had sanctioned increases in the number of military advisers to be assigned to the Saudi armed forces but the Saudi monarchy remained suspicious of Bhutto's stated socialist credentials. The exacerbation of regional problems which led to active Saudi interest in stronger military ties with Pakistan come after Bhutto's fall from power and Gen. Zia has been the major beneficiary. As a member of Bhutto's political inner sanctum in the PPP put it "Even God seems to be on Zia's side. He has been very lucky".

(4) From Pak's perspective a Saudi connection increases security not only in military but also in diplomatic and political ways. It serves notice on Indian and the Soviet Union that although Pak may not be a match for either one

military it now has a powerful ally with economic and political clout. The cost of any attack thus becomes higher than it has been in the recent past when Pakistan's only friend was China that was militarily neutralised into inaction by the USSR. Even the informal ties that bind the Islamabad - Riyadh Washington axis have significantly increased the complexity of the strategic calculus of the region.⁸⁹

(2) ECONOMICS :

Untill the Indo-Chinese war of 1962, Pak's diplomacy was about subservient to the interests of the western powers in the South-Asian region. In Pakistan's official perceptions the USA was to be a 'dependable ally' which could provide the country with much required economic aid and fulfil its economic needs. As regards relationship with the gulf muslim states the general misconception was that the bond of Islamic brotherhood alone was strong enough to withstand any external pressures and disputes. However the reality was that in the newly independent Arab countries, not withstanding its Islamic postures and overtones, Paks total involvement with the excolonial powers was looked down upon with suspicion in the Arab world. When Pakistan joined Western alliances in 1954-55, the Arab states resented it and called this grouping a neo-colonisation movement to cause dis-unity and divisions in the Arab World.⁹⁰

On the other hand the possibilities of Pak playing any significant role in the Arab and Gulf world was greatly reduced

by the emergence of Nasir as a Hero of the Middle East and Third World masses. In any case Pakistan's "National Vocation" did not go along with Nasir's secular and Arab-Nationalist ideals.⁹¹

A new shift in Pakistan's economic diplomacy with the Gulf came between and 1971 onwards. One can say under new Pakistan and when Bhutto took office in December 1971. He had before him a large number of considerations in formulating his new diplomacy towards Gulf and Middle East. Besides after the break up of his state as a 1971 war, Bhutto seemed convinced that his country's geographical orientation was more closely connected with South Western part of the country, that is Persian Gulf. And only this consideration could give Pakistan a semblance of balance with external or any other regional threats.⁹²

A drastic change in the Gulf-region itself went a long way to help Pakistan to get a firm footing in that region. As regards the oil wealth indication were clear that the hegemony of foreign oil companies would end soon and the Arab country's would exercise sovereign right over this scarce and strategic resources. In these circumstances it was natural for Pakistan which was passing through the worst kind of economic and political crisis to try to exploit the situation and seek a fresh entry into the Gulf Asian region.⁹³

By that time the second Islamic Summit was held in Lahore 1974, it had become absolutely clear that Pakistan has big future in the Gulf World. Since then Pakistan has been conducting its bilateral relations with Gulf states, primarily in the framework of Islamic conference.⁹⁴

This inaugurated the maturest and the most creative phase of Pakistans relations with the Islamic states. The present strength of these relations derives not only from Pakistan's abiding dedications to Islamic solidarity but also from their being based on principles casually conceived in the light of the objective situation. These principles are (quote):

- (a) As Pakistan does not view Arab nationalism or the nationalism of Iran, Turkey or any other non-Arab Muslim state as any more antithetical to Islamic solidarity than Pakistan's own nationalism, so the Muslim state should not consider Pakistan's ideological outlook as oblivious of their national aspirations.
- (b) Pakistan must remain scrupulously impartial in any inter-Arab disagreement and disputes.
- (c) Pakistan must follow the principles of bilateralism in its relations not only with the great powers but also with the Islamic states.

- (d) It follows that Pakistan seeks to establish fraternal relations with Islamic states irrespective of their political systems international alliances ideological affiliations.
- (e) Relations with the Muslim states must not be based merely on intent and platitudes but be buttressed by institutional means for greater cooperation, bilaterally or at international forums.
- (f) The Arab cause must be projected as a just cause deserving international concern on moral humanitarian and diplomatic grounds and not as parochial issue of little interest to the non-Muslim world.
- (g) Differences between the two or more states must be resolved bilaterally or if negotiations fail through the good offices or mediation of other Muslim states; singly or collectively.⁹⁵

SCOPE OF RELATIONS :

The scope of Pakistan's relations with Muslim states and the degree to which they have been consolidated since 1971 can be judged from the following facts :

- (a) The historic convening of the 2nd Islamic summit conference in Lahore 1974; under the sponsorship of the late Mr. Bhutto and late king Faisal.

- (b) The establishment of joint ministerial commissions for processing co-operation in various fields with Gulf and Middle East states including the joint ventures.
- (c) Protocol for co-operation in the military field in the field with the Gulf states.
- (d) Economic assistance for Pakistan.
- (e) A phenomenon increase in Pak's tradewith Gulf states.
- (f) Arrangement for technical assistance and employment of skilled manpower from Pakistan in various Gulf States.
- (g) Regular exchange of visits at the summit levels as well as at the ministerial level with Gulf states.
- (h) Contracts at cultural and popular levels; and
- (i) Arrangements for systematic co-operations with Gulf states in international forums leading to the adoption of common position on various global issues.⁹⁶

Pakistan and the eight Gulf states belongs to a single community-Islam. Nevertheless various historical and geopolitical factors have kept them apart. But there are growing feeling of unity of aims and objectives amongst the Gulf with Pakistan realization for unity has also taken the challenge of co-operation in respect of economic matters.

Since both belongs to the underdeveloped or developing third world in all the ways of economics for that economics they were totally dependent over the external sources. Fortunately, some of the richer states among them, atleast in a particular sector of economics - energy, labour technology, skills raw materials and like that realized their long lost duties and responsibilities after Lahore Islamic conference in 1974, to help the less fortunate brothers like Pakistan and viz-a-viz Gulf states to come up from the economic bottle necks and the vicious circles.

As for Pakistan's lone case is concerned after 35 years of her independence it has still find its national identity and integrity. And so long a country's integrity and sense of identity does not strike to the masses the prospect of a bright future cannot be encouraging.⁹⁷ These factors are not very rooted in Pakistan. Regionalism groupism and fear psychosis from external pressure and for their territorial sovereignty always completed them. And to be very frank, few states has been so conronted with a grave challenge on the narrow of its creation as Pakistan was. Economically the Indian economy was grown as a single unified entity with its concomitant regional specialization and interdependence. Partition gave a rude shock to the economics of both the departing nations - India and Pakistan.⁹⁸

The Partition left Pakistan stronger in agro-economics while India in industrial economics compared to its population. Pak got a surplus of production in food grains and two important commercial crops - jute and cotton. But both India and Pakistan suffered economic losses as a result of the disruption of the complementarity between raw materials and industry, between product and consumer. In the long run probably Pak was greater loser.⁹⁹

But in later part when Pakistan fully recovered and reached upto a stage of economic take off in certain field of economics - sophisticated technology, managerial, technical skills infra-structural bases of transport and communication banking and market services and after a new diplomatic exchanges with Gulf states was in a much better position to play an economic role. Its diversification of trade and economics also helped a lot in that way. Geographical nearness, strong common ties as I have written earlier brightened the future prospects of increasing economic interdependence between the two region - Pakistan and the Gulf. The rapidly increasing Gulf states economics to absorb the external labour, technology skills, services constructions has also brightened up after the massive oil money surplus 1973 onwards. They are on the modernization and industrialization spree to build their states and a new Arabian empire with modern technology, services and western standard of

living ~~being~~. And for that billions and billions dollars of contracts, joint ventures, build up, services in diversified field of economics. Starting from water technology to reactor and aircraft engineering, satellite landing pad, housing, shipping, banking, dams irrigation canals aerodromes transport complexes, marketing complexes and industrial cities, and industries based on petro-chemicals has given to various to various states of developed and developing states.

But for these things economy needs certain infrastructure, energy, transport and communication, technical and managerial skills, actual and potential markets for raw materials and finished goods. As I have told you that all these factors are scarce in Gulf economics they would have to depend upon others for its economics needs for build up and industrialization. In that way Pakistan can do a lot in the development of Gulf states due to her vast economic resources, infrastructure, technological and scientific build up, skilled semi-skilled man power, economic capability and as a fast emerging economic bloc of produce states of technical goods and services.¹⁰⁰

Pakistan is quite capable of making several sophisticated engineering projects like cement sugar textile light engineering, tools and machines workshop equipments, defence goods light arms and like so. Beside these the wider sectors

in which Pakistan can provide technology, know how and expertise and consultative services to Gulf states are: textile, leather goods, fish and fish processing, construction, ship building, sugar and cement plant, power generation, air craft engineering, light arms, light engineering goods, workshop tools, machines, textile machinery, road and transport equipments and so on. Except that Pakistan can extend her consultative services in managing administrating and operating various corporations, business houses, services and so on.¹⁰¹

But in the absence of well planned diplomacy and policies these things have not been achieved as all the time was warranted by the belonging states. Of course there was instances of regional co-operation on a smaller scale in various areas. Some of these regional groups are based on regional groupings and affinities like R.C.D. and Islamic secretariate now known as organisation of Islamic conference, has been established as an organization representing all the Muslim states of the world. Most recently established Arab Gulf-cooperation council (AGEC) is the latest step to forge closure economic and security co-operations among the regional Arab Gulf states with the possible future of Pakistan. Participation as an ex-Gulf territorial state, if not directly then indirectly.¹⁰²

A detailed Pakistan-Gulf states economic diplomatic interactions will take place in my coming pages when I will

deal with various tools of interdependence like trade aid and assistance, joint ventures contracts and constructions labour and other interdependent transactions between Pakistan and Gulf and Gulf viz-a-viz Pakistan. Then whole idea would come up but before that I can brief up Pakistan's economic interest in the Gulf as follows :

- (1) The feeling of brotherhood among the Gulf-Asian states and Muslim states as inculcated by Islam, which cuts across the barriers of geography race, colour and language.
- (2) As a result of particular background Muslim Gulf states are desirous of evolving independent identity and social, political and economic system.
- (3) The most of the Muslim countries are either geographically contiguous or in close proximity with each other to transact economic and security independencies.
- (4) Greater cooperation among Gulf states with Pakistan in various economic fields is both desirable and probable. The volume of trade and activities are small at present but can increase handsomely after and under the of 1974 Islamic summit conference, and

- (5) Lack of diversification in the economy is an important reason for the smaller economic trade and transactions. If positive steps are taken by both to overcome the various constraints faster economic growth and diversification is possible.¹⁰³

Foot-Notes :

23. A history of the freedom movement: 1707-19 , Vol. 1, pp. 10-31, by Pakistan's Historical Society.
24. Bashiruddin Ahmed's excerpts of contemporary Pakistan; Pakistan's problems lies in its very creation; Times of India, Sunday, Sept. 19, 1982, p.5.
25. Ibid.
26. Ibid.
27. Ains, Lie, T. Embrace (ed.), Pakistans western borderland, the segmentary lineage system, its applicability to Pakistan's political structure by Charles Lindhalm; p. 42.
28. Ibid.
29. Toynbee, Arnold J, A study at history: Genesis of civilization, The comparative study of civilization, pp. 15-34.
30. Rafiushan Kureishi, The nation of Pakistan, Pergainon Press, Oxford 1969, p. 14.
31. Llyod, Seton, Foundations in the dust, there came east, p. 11.
32. Toynbeen, A.J., A study at history genesis of civilization, the comparative study of civilization, Oxford 1947, pp. 20-21.
33. Ibid, p. 21.
34. Ibid.
35. Prof. Malik, Nasrullah, Great Muslim scientist: Pakistan fictional, Higra edition, 1981, pp. 48-51.
36. POT, Vol. V, No. 38, Feb 23, 1977, p. 264.
37. Ibid.
38. Ahmad, Mustaq, Pakistan's foreign policy, Pakistan's Quest, pp. 103-104.
39. Better co-ordination and cooperation Pakistan economist, No. 37, Sept. 27, 1980, p. 12.

40. Ahmed, Mustaq, Pakistan's foreign policy, Pakistan's Quest, p. 101.
41. Shankar, M., Strategic environment strategic analysis, IDSA, Vol. V, no.4, Sept. 1981, p. 229.
42. Ibid.
43. Bhattacharya, S.S., Geopolitical setting, strategic analysis, IDSA, Vol. V., No. 5, Aug. 1981,
44. Ibid.
45. Pakistan News, Delhi, Feb. 15, 1982, Vol. IV, no.4, p. 2.
46. Ibid.
47. Bhattacharya, S.S., Geopolitical setting, IDSA, Strategic Analysis, Vol. V, no. 5, Aug, 1981, pp. 176-77.
48. Ains, Lie T. Ambree, Pakistan's western border land Vikas, 1977, pp. XI-XII.
49. Ibid.
50. Bhattacharya, Geopolitical setting strategic analysis, IDSA, Vol. V., No. 5, Aug. 1981, p. 174.
51. Ibid.
52. Pakistan News, Delhi, Feb 15, 1982, Vol.IV, no. 4, p. 3.
53. Ibid.
54. Ibid.
55. Toynbee, A.J., A study at history the comparative study of civilization, genesis of civilization, p. 21.
56. Ibid.
57. Encyclopedea Britainica, Vol. IV, pp. 795-796.
58. Agwani, M.S., Politics in the Gulf, p. 3.
59. Dawn, Overseas, Feb.26, 1982, pp. 1-10.
60. Ibid.

61. Arab's brain-drain, Dawn, June, 18, 1982, pp. 15-16.
62. Saini, Said Ahmed, The Gulf and its many names: Iraq, No. 165, Vol. VII, Aug 1, 1982, p. 53.
63. Ibid.
64. Razvi, Mustafa, Frontiers of Pakistan, p. ix.
65. Khan, Ayub Mohammad, A political authobiography, Foreign policy, pp. 178, 181.
66. Razvi, Mujtaba, Frontiers of Pakistan introduction, p. 1.
67. Ibid.
68. Ibid, p. 8.
69. Ibid, pp. 15-16.
70. Ibid, p. 3.
71. Khan, Ayub Mohammad, A political autobiography, Foreign Policy, p. 116.
72. Mustafa, Zubaida, Factors in Pakistan's foreign policy, Dawn overseas, Aug. 20, 1982, p. 7.
73. Subramaniam, K., Subcontinental security, strategy analysis, IDSA, Vol. 5, August, 1981, p. 245.
74. Mehrotra, O.N., Pakistan's strategy: Strategic analysis, IDSA, Vol. V. No. 6, Sept. 1981, p. 223.
75. Ibid.
76. Ramchandran, K.N., The China factor: Strategic analysis, IDSA, Vol. V, No. 5, Aug. 1981, p. 184.
77. Mustafa, Zubaida, Factors in Pakistan's foreign policy, Dawn, Overseas, Aug. 20, 1982, p. 7.
78. Sinha, P.B., Impact of Afghan developments, strategic analysis, IDSA, Vol. V, No. 5, Aug. 1981, p. 206.
79. Mustafa, Zubaida, Factors in Pakistan's foreign policy, Dawn Overseas, Aug. 20, 1982, p. 7.
80. Mehrotra, O.N., Pakistan's strategic: Strategic analysis, IDSA, Vol. V. No. 5, Aug. 1981, p. 223.

81. Khan, Liaquat Ali, Pakistan: The heart of Asia, speeches, May-June 1950, Foreign relations, the interest of Pakistan in the World outside. National Press Clun, 4th May 1950, p. 12.
82. Mustafa, Zubaida, Factors in Pakistan's foreign policy, Dawn, Overseas, Aug. 20, 1982, p. 14.
83. Ibid.
84. Mehrotra, O.N., Pakistan's strategy: Strategic analysis, IDSA, Vol. V, No. 5, Aug. 1981, p. 224.
85. Ibid, p. 225.
86. Bashiruddin Ahmad's excerpts in Times of India: Pakistan's problems lies in its very creation, Sept. 19, 1982, p. 5.
87. Khader Mezid, Arab Contemporaries, the role of personalities, p. 102.
88. POT, pt. 39, Feb. 24, 1977, p. 282.
89. Pakistan Ministry of Foreign Affairs, Review of Pakistan's relations with the Islamic states: Pakistan Horizon, Vol. XXX, No. 1, 1977, p. 224.
90. Lawrence, Lixing, Bhotto's foreign policy, 1972-73 in Henry Kerson (ed.), Contemporary problems of Pakistan 1974, p. 57.
91. Ibid, p. 56-60.
92. Weinbann, M.G., and Goutam Sen, Pakistan enters the Middle East, Orbis, Fall, 1978, pp.
93. POT, Feb. 24, 1977, Vol. V., part 39, p. 277, Pakistan Series.
94. Ibid.
95. Post. Pakistan series, Part 38-39, Vol. V, Feb. 23-24, 1977, pp. 277-78.
96. Ibid, pp. 278-79.
97. Bhatia, B.M., Pakistan's economic developments, 1948, 1978, The failure of a strategy, the Tenuous base, Vikas, 1977, p. 1.

98. Ahmad, Mustaq, Pakistan's foreign policy, Pakistan's Quest, p. 101.
99. Bhatia, B.M., Pakistan's economic development 1948, 1978, Economic foundations, p. 26-27.
100. (a) Wasfi, Hijab, Arab scientific activities in the 100 years of Middle East forum, Vol. XIII, No. 4, 1966, p. 33.
- (b) M.K. Dhar, Awareness of need for changes, Hindustan Times, 18 Jan. 1965.
101. White Lawrence, Appropriate technology export, inefficiency and a comparative environment, Some evidences from Pakisan; Pakistan economic quarterly, Nov. 1980, Vol.
102. Ahmad, Naveed, The 11th Islamic foreign Ministers Conference, Pak Horizon, Vol. XXXXIII, No. 1 and 2, p. 57.
103. (a) Huges H. (ed.), Prospects for partnership, industrialization and trade policies in 1970's.
- (b) Lewis, S.R., Pakistan: Industrialization and Trade policies (London), 1970, p. 74.
- (c) Hasnet, S. Farooq, General Framework for Pakistan's policy towards the persian Gulf region, Strategic studies, Vol. 3, October-December 1979, pp. 80-96.

**

PAKISTANS ECONOMIC DIPLOMACY IN THE GULF : TRADE

Economic diplomacy is a major element in contemporary international relations and many states have set up special units in their foreign office for dealing with the economic aspects of foreign policy. Big powers have developed global economic interest specially as givers of economic aids and foreign aid constitutes one of the most important aspects of their foreign policy.¹ But there is a marked differences if one is taking - about the diplomacy. Today's diplomacy is no more what it used to be in 17th and 18th century. But it has happened gradually and it adjusted it self to the changes in domestic and international politics. Deplomacy is a - continuous process and even modern diplomacy is changing gradually towards more sophistication, statistics, economics and with new revelations.²

The contemporary diplomacy is the diplomacy of economics and tools like - trade, aid and assistance, manpower, joint ventures, contracts services. Economics is a academic science. Its subject matter like manipulation of material resources byman, pervades the whole life of an individual as well as the state from its very beginning to infinite and

the entire fabric of a society under every conceivable condition. The theoretical laws of economics, are, therefore, bound to be influenced by factors that effect the lives of individual and societies. There are the historical heritage of political, cultural and material institutions.³

In case of Pakistan as I have said earlier, just after her independence Pakistan started searching for a close relations with outer world beyond her - borders, neighbours and regional states. Since her economy and administrative set-up was severely damaged due to the imbalanced division of the sub-continent. Its economics, agriculture, industry, raw materials, markets, external trade, services were completely mared, until she develops a new strategy. Since then to the 2nd liberation in 1971, the Pakistan economy accounted significant changes in all the ways - infra-structurally, technologically trade and commerce wise diversification of trade and domestic economy with a firm confidence in herself. Roughly I can divide that period into three phases: as -

(1) The earliest period 1947-54 was only the period of forging close relations with all the states with special reference to the Gulf Muslim world. And in fact Pakistan derived its strength and idealism of the liberation movements, from the Pan Arabist movements or - nationalist movements

throughout the third world. The urge among the Pakistan's to cooperate actively with the rest of the Muslim world, including the Arab, Gulf - Asia, in the fields of economics was boldly demonstrated by new state of Pakistan in 1949 in world Muslim conference arranged under the aegis of 'Motmar-al-Alam-Islamic'. This attempt was blossomed fully in 1974, Feb. in 2nd 1977 Islamic conference held in Pakistan, which was attended by 39 states of the Gulf, Middle East and Muslim countries of the world.⁴

(2) Second period 1955-57 was the period of when Pakistan's relations with the Arab states reached their lowest ebb. Chronologically there is no demarcation between the various phases, however, between these two, the 1st one was towards the Islamic solidarity while the second one was for loss of momentum and disappointed relations with the Gulf - World. The lack of leadership after Jinnah and assassination of Liaquat Ali Khan in 1951 resulted into slovenly diplomacy to cultivate a greater and mature economic relationship. And that is why Pakistan failed in her diplomacy in 12 nations conference held in 1952 to forge a diplomatic efforts. More disappointment came after Pakistan's effort for 1950, world Muslim economic conference and in 1951 session of 'Motmar-al-Alam-Islamic'. Pak was more disappointed when neither the Arabs nor the non-Arab Muslim states were enthused over the Pakistani idea. Actually that was not the very mature time

for such an idea for economic cooperations due to their political compulsions, domestic as well as external. King Faronk's notorious remark that, "Pakistan believes that Islam was born in 14 Aug. 1947" had been most unkind through out Pakistan and the Muslim world. Even president 'Sokarno of Indonesia took many years to recover from his rage at Pakistans stance of moral and religious material superiority over other Muslim states. We want Pakistan as a friend, not as a leader" he stated.⁵

The differences among Arab - regimes, the national pre-occupation of Iran and Turkey with the threat posed to them by the stalinist policies of the USSR immediately after 2nd world war and the divergent concern of the Arab world with the operation of western imperialist forces were factors which could not be ignored. The betrayal of the British and French's pledges given for an united and independent state in the wake of the collapse of ottoman empire rocked the Arab hearts and minds. They were confronted with the imperialist division of the Arab world into spheres of influence, and still the substantial western colonisation in some Arab lands and the instalation of Israel as an out post of imperialism in polestine.

All these causes were accentuated when two mutually unrelated developments occurred in early fifties. On the ^{one} hand

the Arab world experienced Nassirism articulating Arab nationalism and Arab unity and expounding the themes of anti-imperialism, anti-colonialism, secularism and non-alignment, on the other hand Pakistan went under increasing compulsions to buttress its security, with western military alliances. The result was maladjustment between Pakistan and Arabs including dominant Egypt. But brought closer to the non-Arab states of Iran and Turkey.

(3) The 3rd period began in 1958 when Pakistan ultimately, under her new military ruler Mr. Ayub Khan, joined with her most powerful ally USA. At this time Pakistan improved her relations, atleast a little bit, with Muslim Middle East, through her diplomatic maneuvers and Suez crisis boon. Between 1958-63 Ayub Khan visited so many Muslim states to remove the alliance misunderstanding and to get legitimization of his military regime. There was no bilateral cooperation in important fields. The country's foreign policy lacked an understanding of the link between political and economic relations. Despite that the Gulf had the collective potentials of emerging as an independent economic power, no efforts were made to prepare the grounds for collaboration in the economic sphere. It was a period of exclusive orientation towards the western consortium in economic planning. The low priority given to economic and commercial ties with Muslim Gulf world are reflected in the following pages. From the low quantum

of trade and economic transactions between Pakistan and the Middle East economies. Despite the warmer contacts with the various states the mutual understanding with them on political issues remained tepid for a number of years.⁶

The breakup of Pakistan again in 1971 had created a big question for Pakistan, economically. Pak had not only lost her half territory and population but a fertile land, market, raw materials even the economic infrastructure of Pakistan was completely shattered. The new Government of Z.A. Bhutto, took its bearing in the changed circumstances and concluded that the psychological and material needs of the new Pakistan - dictated a renewal of mutual understanding and cooperation with the Gulf world. Within 3 weeks of assuming his office as President, Mr. Bhutto visited Kabul, Iran, Turkey, Morocco, Tunisia, Algeria, Libya, Egypt, Syria, and few month later in May-June 1972 he travelled to 12 other countries including Saudi-Arabia, Kuwait, UAE, Iran, Lebanon, Jordan, Somalia, Ethiopia, Sudan, Nigeria, Guinea and Mauritania. This tour was primarily aimed at establishing direct personnel contact at the highest level with the states of the Muslim world and more specially with the Gulf-Asia, and finding the support vitally needed to enable Pakistan to find its feet after the cata clysm of 1971.⁷

The promotion of Islamic solidarity has been a cherished goal and cornerstone of Pakistani diplomacy. According

to Pakistan's 1973 constitution the promotion of this objective is a constitutional obligation of the country. Article 40 of the constitution of the Islamic republic of Pakistan (1973) lays down as a principle of policy that: "The state shall endeavour to preserve and - strengthen fraternal relations among Muslim states based on Islamic unity" that is why Pakistan is playing major role in giving concrete shape to the concept of Muslim unity in the forum of the organisation of the (Muslim unity) Islamic - conference and its organs and agencies, such as the summit conference the IFMC the Islamic Secretariat, the Islamic solidarity fund and the Jerusalem committee.⁸

STRATEGY FOR COLLECTIVE PROGRESS :

It took 8 years for the Muslim states to meet from the time when the general idea of a common strategy for economic development and industrialization was mooted at Lahore, 1974. Feb. 24. The conference pioneered the move by setting up an 8 member committee to plan for eradicating poverty' ending 'exploitation of developing states by the developed and for regulating the supply of raw materials and import of manufactured goods and know-how" by the Islamic states. Since then, every conference of IFMC beginning with from Kuala Lumpur, June 21-25, 1974 has been endorsing the ideas which are reflected by 8 nation economic committee which

expanded and later become the Islamic commission for economic cultural and social affairs. At their Istambul (July 13-15, 1975) and 9th at Dakar (Senegal - April, 24-28, 1978) the ICFM went into great details to urge a new international economic order". and for the advancement of the industrial restructuring of member states. The principal malaise plaguing the Muslim world in the industrial sector was correctly diagnosed and remedies spell out. Industrial backwardness is common to all Muslim states. It would be recalled that as many as 14 states are among the 22 designated states by the UN as the least developed state of the world are Muslim. (\$150 P/C income).⁹

High lighting the central problems faced by the fledgling industrial framework of the Gulf states, the Islamabad conference pointed out that Muslim Gulf states not only possessed manpower but also adequate financial resources. However they lack sophisticated technology and higher skills. They are extremely rich in oil and their trade routes and lanes giving passage to the tankers of advanced world. Japan the foremost advanced world depends upon the Gulf for its oil. Western Europe which includes the world's most richest states NATO and American dependents in this the NATO takes 60% oil from the Gulf. Rich and powerful states have threatened the use of force to ensure continued oil supplies. Super powers

presence in the neighbourhood in the shape of military bases, have separately offered their proposals to internationalise the regime of the Gulf. A number of external interests are gradually putting forth their own point of view.

In this circumstances the Gulf states themselves have got into a new position. They have realized this and have made an objective analysis of their situation. Their own priorities, which centres the conservation of oil, its equitable and fair price in the market and accelerated growth of their economy must take precedent overall external interests. The last move of the Gulf states will not only secure them against the uncertainties of international politics but will also contribute to the stability of the entire region.¹⁰

Inspite of these problems, the problem of rapid industrial progress in the Gulf states and Pakistan, centres on a successful footing manpower backed by resources with technology and know-flow. But as it so happens technology and know-how are acquired by western states for 100 years of knowledge. Despite talks and resolutions at the special sessions of the United Nations and Northsouth dialogues about, 'NIEO' the redressing of post war economic imbalance and a 'massive transfer of technology' nothing spectacular has happened or in most observers opinion, is likely to happen. The Islamic conference thus reflected the consensus in the

Muslim world about the imperatives of pooling their resources, sharing their skills or jointly exploiting and profiting by what ever industrial investment potential they possess. It was agreed that the Islamic world's financial resources and technological know-how if rooted on scientific lines could refurbish their industrial economies. Moreover, jointly they could also concert measures to tackle the situation created by oil prices, western technology import and infrastructure.¹¹

For this purpose Islamabad conference decided to set up a follow up committee and a task force to prepare studies and feasibility reports on viable joint ventures for financial support from the OIC states. Further a 21 point programme was also agreed upon to accelerate industrial cooperation and development aimed at, "collective self-reliance of the Islamic world. "The plan follows the, 'plan of action' incorporated in the Mecca declaration announced during the third Islamic summit at Mecca, Taif, in Feb. 1981. The task force and the followup committee it was explained would prepare studies for priorities areas. They also talked of consumer association, on the line of OPEC to bargain in the commodity market.¹²

ISLAMIC STATE AND ECONOMICS :

What is an Islamic state and society today must mean

that development of ideals and institutions of that period when Islam existed in its pristine purity.¹³ In the early Islamic community there is a strong tendency to the complete identification of state and community. D.S. Margolionth says, "Although we are apt to think of Islam as a religion, it is probable that the prophet thought it rather as a nation."¹⁴ In primitive semitic life God and tribesmen were one. To change once God was to change of nationality would be to a modern westerner. The prophet replaced the tribes as well as tribes Gods by one nation and one God. Religion, therefore, became the basic bond of the new Islamic community. A community thus built was the institution of worship and associated religious ceremonies and precepts appealed to the deepest human interests.¹⁵

For Pakistan which is over whelmingly Muslim, it should not be surprised that her national life and ideals are fascinated by the ideology of Islam. The Pakistan believe in certain eternal, spiritual and ethical values which are drawn from the fount of Islam. Islam has over the centuries provided for these peoples the inspiration to dream, the energy to actualize their dreaming, and discipline to keep personal ambitions within the bound of over all national goals and general social welfare. Under the influence of Islam and on the basis of their own historical experiences in the sub-continent, the Indo-Pakistan Muslims had developed

a tradition of loyalties emotional disciplines. In the result whatever they could do or achieve in the realm of national progress or contribute to the promotion of human welfare they could only but by invoking this tradition. For them, 'No morality' exists which does not find its ultimate sanction in Islam indeed their moral categories are solely and basically derived from the teachings of Islam. For Pakistan therefore, the only enduring policy which can ensure justice and morality in her activities, both in this and without can be the one which is based on the transcendent Islamic ideology.¹⁶

ECONOMICS IN ISLAM :

One and ultimate aim of each and every economic system is to achieve maximum development for state, society and individual through steady economic developments. Whether the system is capitalism, communism or emerging powerful Islamic economic system. The whole Islamic system is based on faith and mutual trust with confidence in one another. These are unavoidable, pre-requisites for human growth and maturity. In Islam economic activity is only a section of a much larger canvas which is dominated by the twin themes of basic dignity and worth of all individuals implying a universal obligation to care for others interests as one does for himself and universal obligation to do justice.

The believers, according to the Quran are each - others' protectors. The principles of basic - dignity of man, his being part of a universal brotherhood and the absolute obligation to do justice and to stand up for justice cuts across the gordian Knot of the problems of inter-relationship of power and justice of the western tradition.¹⁷

Living in a prosperous but in many ways unjust society, once Karl Marx remarked is a bourgeoisie-prejudice. Justice has always remained a problem whenever men have made laws and power has found ways to make an alliances with justice. According to the Quran all power must at all times be subseri~~vent~~ to justice. And it is the duty of every Muslims to submit to the judgement of the 'Shariat' and fed no constraint or threat. While enforcing justice and implementing the concept of brotherhood of believers, Shariat will brush aside all power which restricts the operation of these principles. It was this principles which prompted Abu Bakr the 1st caliph to say on the occasion of assumption of office; "Verily the weakest amongst you shall be strongest in my eyes till I get him his due, and the strongest amongst you shall be weakest in my eyes till I exact from him what is due from him".¹⁸

According to Quran, participation of in economic creative activity is obligatory for every Muslim. They are also expected to work hard and to use good things of life

and to be grateful to God for his blessings, because Allah increases his blessings to those who are grateful. Waste and demonstration are totally prohibited. The importance of this principle becomes clear when one realizes that the strongest criticism of contemporary Marxism against capitalism in regard to this waste and demonstration. And in regard to the item produced and non-utilization of a large quantum of that and again in terms of unequal unjust distribution and use. One person-believes in ostentations high living and another barely survives in a condition of extreme poverty and deprivation. Basically the same criticism against socialism can also be levelled, because there is also once a person has earned his wage he can do what ever he likes, waste of hard earned wages on alcoholism is a special problem of Russian economy.¹⁹

But in Islamic economics every one is entitled to share in what he earns. No one is permitted to withhold all that 'what he earns. He can use that to please himself and not for wanton public display. But providing of opportunities to all is one of the primary duties of state. At the root of the successfully operating Muslim community is the general awareness in the individuals of the great obligations that are placed on them in accordance with their abilities. The duty to act morally is primarily that of every ones and the duty of the business of ruling agencies, is to act in

aid of the individual to use the possibility of moral life for him. But a Muslim, individual or state's, duty is, under a convenient that he would struggle for establishment of Islamic order of justice, equality and brotherhood, with his life and all worldly belongings.²⁰

Islam is a complete way of life that teaches tolerance and forbearance towards other - religious and ideological systems and societies. It opposes to impose their ideology upon others by force and even it can not tolerate to imposed by other ideologies and their systems. Ideologies have their own place and importance and I believe ideological differences should be pacified through a pacific means and should be fought on ideological grounds not by force of arms species and fellers or to impose in on other like soviets had done in Afghanistan.²¹

In the same patterns international economics and its diversities and imbalances should be cleared out through the unified attempt of all the states and societies. Since Islam believes in Islamic brotherhood its international economics - project the same principles as it for her individuals for a better economic order - just and understandable for a prosperous and happier tomorrow.

PAKISTAN ECONOMICS :

Like any other non-oil producing developing country

the economic development of Pakistan has been constrained with the shortage of capital, surplus labour force facing disguised unemployment and persistent deficit in current account balance. During the decade of 50s and 60s Pakistan economy represented a period of sustained economic growth. Agricultural output increased at an average compound rate of 5% with ups and downs in between. Industrial output increased by approximately 10% per annum.²² During the 50s the per capita income and other things were unchanged due to population growth 2.5%. But the Ayubian era or 60s witnessed a sudden economic build up in the ways. In 10 year period the economy grew faster rate than ever preceded 5.4%, large scale manufacturing sector - 10.9%; manufacturing as a whole of 9% and agriculture 3%. Economy also went under important changes agriculture which had contributed 56.1% of GNP in 50s accounted only 45% of GNP in 1968-69, while the share of manufacturing in GNP went up from 8% in 50's to 12% in 1968-69. The share of large scale industries which accounted 45% of total manufacturing in 1954-55, shot up to 71.4% in 1968-69 which shows the measure of industrialization achieved in the country in a short period.²³

The period 1969 onward was a disaster politically and economically. The economic growth which was achieved during the Ayub era with massive aids, assistance, concessions and borrowings from abroad started influencing the Pakistan's

economic health. with Ayubian overthrow the economy started facing regional inequality (ies) in various economic matters, generated by the Ayubian strategy of development. Lastely the result was the seperation of Bangladesh - from main land - Pakistan in 1971. Due to the seperation of Bangladesh - Pakistan deprived of a sizeable market for its productions. The historical slacing of Pakistan also brought in a different position of adjustments in domestic and international economics. And was this failpore which primarily responsible for bleak economic success of Bhutto's Pakistan. The Annual growth rate of Bhutto's economy during 1970-77 was a misear-able 3.1% which was barely 3% of the population growth rate. Last years economic development shows much disastrous condi-tion while the growth rate was only 1.4%. Sectorwise the growth rate in agriculture was 2.2%; in construction it was minus, -0.1%. The country had over the years become deficient in food supply and good grain imports stood in 1976-77 at 2 million tonnes, further straining the already scarce for-
eign exchange resources.²⁴

The present government has much better record in res-pect of economic growth rate in her 4 years of operations. The average annual growth rate of GNP course to 6.4%. The growth rate of 1979-80 and 1980-81 was 6.2% and 7.6% res-pectively. There has been a sizeable increase in agricul-tural production 6% specially in wheat and cotton; and

industry 8.1% compared to the annual average of 1.6% and 2.8% respectively during the 1970-77, Bhutto period.²⁵ The rate of inflation, judged by the whole sale prices index was limited to a single digit affair in 1979-80 while in terms of the consumer prices index it was 11%. In 1979-80, export financed only 49% of the country's imports, in 1980-81 this proportion rose to 57%.

In its entire history of 35 years, Pakistan had a favourable balance of trade only in two years 1947-48 and 1972-73 when country devalued her currency by 56.5%. The annual trade deficit was financed by foreign aid. It was only after 1973 that there was a spurt in remittances from Pakistani nationals abroad which helped a lot. But at the same time of Bhutto's accession to power the foreign debt was \$ 3.6 billion. It almost doubled \$ 9 billion upto 1981, under new regime.²⁶

During the 70's the domestic resource gap (gross fixed investment minus gross saving) was equivalent to more than 5% of the gross domestic product (GDP).²⁷ This gap which was big enough to be filled up by additional domestic resource mobilization coupled with a population growth of nearly 3% a year made it imperative for Pakistan to look up for new sources of external finance. It was just a coincidence that in the early 1970's when Pakistan was faced with a host of problems on the domestic front caused by Indo-Pak war and

secession of Bangladesh in 1971, the prices of crude oils and oil products started rising. The net effect of all this was that the problem of disequilibrium in the foreign payment account became still more acute.

However, the redeeming aspect of mess caused by the oil price was that the economic power of the oil exporting west Asian and Gulf countries was increasing tremendously and Pakistan with its overall diplomacy shift could look forward to that region for various economic opportunities. The oil exporting countries are expanding their foreign aid programmes with added generacity, their import markets were expanding tremendously with new developmental programmes in the various field of economics which postulated a massive import of skilled, semi-skilled and unskilled labour, being formulated. Pakistan had a potential for a big give and take with this region. But the element of complementarity between the two economies needed to be strengthened by continuous diplomatic efforts to forge an ongoing and effective economic relationship.

BILATERAL ECONOMIC COOPERATION :

The decade 1971-81, and the bilateral cooperation between Pakistan and Gulf Muslim world would come sporadically into life during and after a high level exchange. Since, 1972 this has been established institutionally through the establishment of joint ministerial commission with the countries men-

tioned above. These commission met regularly to identify the areas of cooperation through specific projects and arrangements. Among the outstanding instances of practical results flowing from the work of these commissions are :
(quote).

(i) The protocol issued in Teheran in Feb. 1973 which listed a number of projects in the fields of trade, industry, agriculture and transport for bilateral cooperation;

(ii) The exploring of possibilities of bilateral cooperation with Saudi-Arabian joint ventures, consultancy and contracting services, supply of manpower, cooperation in cultural and educational projects and of Saudi Assistance for certain development projects in Pakistan;

(iii) The participation with UAE on joint ventures basis in building a refinery and fertilizer project in Multan and a live stock venture in Jhimpur;

(iv) The setting up of a joint investment company with Kuwait;

(v) Award for sub⁷¹⁶sist⁷¹⁶ab⁷¹⁶al contract for the construction of an irrigation project to a Pakistan state owned firm in Iraq.²⁸

A careful study of the proceedings of the various Islamic summits and foreign ministers conference reveals that Pakistan has always taken a keen part in the establishment of such institutions which are meant to help the poor Muslim states. For instance the idea of setting up an Islamic banking was mooted by Pakistan at the Kuala Lumpur foreign minister conference in 1974. Although its proposal that bank should be answerable to Islamic foreign ministers was opposed by Saudi Arabia and was rejected.²⁹ It is also significant to note that the Headquarters of the federation of Islamic chambers of commerce is at Karachi, Pakistan.

TRADE :

The prospect of the performance of the export sector of any economy depends, among other things on the exportable surplus that it can generate through her accelerated and multiplied efforts and expansion of the market in importing countries. Exports of Pakistan like other developing countries comprise mainly of primary agricultural products such as rice and raw material, raw cotton. Among manufactures cotton textile is the most important item. All other articles of export which include light engineering and electrical goods, cotton yarn, and agro-industrial products face a tough competition both in terms of price and quality. However inspite of its narrow production base and meagre exportable surplus Pakistan has been quite successful in

making good the expanded market opportunities offered by the oil exporting Gulf states. In the last 10 years beginning from 1970-71 to 1980-81, Pakistan's export to Gulf states have registered a significant increase Pakistan's export various Gulf-states ranges from 54.3% and 49.3% in the case of Saudi Arabian, Iran respectively and 14.1% in the case of Abu Dhabi. But in general Pakistan's export to all countries have grown at an annual average rate of 11.3% during the last 10 years. But export to Gulf world have grown at the average of only 9.5% (see table-1).³⁰

The share of muslim Gulf world in Pakistan export trade was 29.5% in 1971-72, more to 34.3 - 35% with ups and downs in between, 1974-75 - 34.5%; 75.76 - 31.5%, 76.77 - 37.7%; 1977-78 - 35.5%; 1978-79 - 27.5%; 1979-80 - 28.7%; 1980-81 - 30%. This shows that althrough export trade with Gulf states as a whole has recorded an improvement during the period under review. But it is not significant as compared to the increase in export to the rest of the world.³¹ (also see table 2).

MAJOR ITEMS OF EXPORT FROM PAKISTAN TO GULF MUSLIM COUNTRIES:

SAUDI ARABIA: Rice, fish and fish preparations, cereal preparations (including biscuits); fruits and vegetables, spices, tobacco manufacture; barley unmilled; drugs and pharmaceuticals; toilet preparations; rubber manufactures

Table - 1

Rate of growth of Pakistan's exports to
Region countries (%)

Country	Rate of growth 1970-71 - 74-75	Rate of growth 74-75 - 78-79	Rate of growth 1970-71 - 78-79
Grand Total	50.62	13.27	30.61
American region	40.23	24.65	32.17
U.S.A.	31.96	32.05	31.97
Western Europe	55.36	19.58	36.28
E.C.M.	50.44	20.27	34.50
West Germany	65.49	22.37	42.27
Italy	40.86	28.39	34.45
U.K.	39.52	17.07	27.79
Eastern Europe	18.75	3.51	7.04
U.S.S.R.	18.24	1.71	7.81
Middle East	80.74	4.77	37.60
R.C.D.	133.19	0.99	53.46
Turkey	42.01	126.61	79.28
Iran	137.11	5.99	49.30
Asian Countries	70.32	7.81	35.49
Abu Dhabi	108.95	37.68	14.15
Bahrain	19.99	19.75	19.85
Dubai	77.78	18.64	45.21
Iraq	55.41	0.91	25.23

contd..../-

cont..

Jordan	17.74	16.80	1.01
Kuwait	43.94	4.08	22.39
Lebanon	82.73	37.18	7.17
Oman	93.38	2.78	37.11
PR. Yemen	10.89	52.40	29.97
Qatar	35.47	32.75	34.07
Saudi Arabia	114.56	11.08	54.37
Africa, Ex-Middle East	68.13	38.13	52.36
Asia, Ex-Middle East	45.29	6.71	24.51
Libya	88.39	18.44	49.36
U.A.R.	148.82	11.68	48.25

Source: Pakistan Economic Survey, Government of Pakistan -
1979-80 (Table 7.1) p. 26.

Table - 2

Export from Pakistan

Region	1971-72	1973-74	1978-79	1980
Muslim World	2.6 - 3.0	3.0	4.7	5.5
Rest World	6.5	7.1	12.3	12.6
Total	9.10 - 9.50	10.10	16.7	17.5

Source: POT, Pakistan Series, Vol VIII, Part 83,
April 19, 1980 (Foot note 32).

(including tyres and tubes); yarn of wool cotton yarn, thread and fabrics; art silk and synthetic fabrics, knitted fabrics of cotton and silk, ready-made garments, tulles, lace embroidery etc., cotton bags, tents and canvas, made-up articles of textiles; towels; carpets and rugs; metal-manufactures, machinery non-electrical; footwear; books and printed matter, sports goods; handicrafts; barroms and brushes.

IRAN :

Fruits and vegetables; fish meal, wool raw and animal hair; chemicals and chemical products, drugs and pharmaceu-

ticals; leather; paper and paper board; cotton yarn, thread, fabrics and bags; art silk and synthetic fabrics; made-up articles of textiles and towels; ready-made garments; tents and canvas, carpets and rugs; transport equipment; sports goods; handicrafts.

IRAQ :

Rice; wool raw and animal hair; chemical products; cotton yarn, thread and fabrics; tents and canvas; special textile fabrics and related made-up articles of textiles; metal manufactures; machinery non-electrical, electrical goods, transport equipment, ready-made garments, sport goods and handicrafts.

KUWAIT :

Same as for Saudi Arabia.

DUBAI :

Same as for Saudi Arabia plus mineral and ores; animal horns, bones and hoofs, chemical products; electrical goods; transport equipment and cinematographic films.

BAHRAIN :

Rice, fruits and vegetables, spices, tobacco manufactured, toilet preparations, chemical products, rubber manufactures (including tyres and tubes), cotton fabrics,

art silk and synthetic fabrics, bags of cotton, tents and canvas, made-up articles of textiles and towels, carpets and rugs; ready-made garments, cinematographic films, books and printed matter, sports goods and handicrafts.

OMAN :

Rice, fruits and vegetables, cereal preparations (including biscuits), syrups, tobacco manufactured, toilet preparations, rubber manufactures (including tyres and tubes); cotton thread; cotton fabrics, bags of cotton, tents and rugs, metal manufactures, machinery non-electrical, ready-made garments, footwear, books and printed matter; sports goods, and handicrafts.

QATAR :

Same as for Oman.³³

PAKISTAN'S IMPORTS :

Pakistan's imports from all countries have grown tremendously during the last 10 years. The average annual growth rate during this period was 24.3% which is much higher than the export growth rate, that is 9.3%. Imports from Gulf states have increased at the average rate of 25%. The growth of the rest of the world was 21%.

The share of the Muslim world in Pakistan's import was 16% in 1973-74. It jumped to about 44% in 1974-75 and

1975-76 but declined to 24%, 27% and 23% respectively in 1976-77, 1977-78 and 1978-79 to the previous years. The rest of the world which also included the developed has a greater share in Pakistan's imports, because it meets Pakistan's requirements in various economic fields.³⁴ (see table 6A below).

Pakistan's Ms in Billion Rupees

Region	1973-74	74-75	75-76	76-77	78-78	1978-79
Muslim World	2.2	2.8	4.9	5.6	7.4	8.4
Resto of the World	11.3	15.1	15.6	17.4	20.4	28.0
TOTAL	13.5	20.9	20.5	23.0	27.8	36.4

MAJOR ITEMS OF PAKISTAN'S IMPORT TRADE WITH SELECTED MUSLIM COUNTRIES :

SAUDI ARABIA: Petroleum crude and products, iron and steel scrap, aluminium waste and scrap.

KUWAIT: Petroleum crude and refined, iron and steel scrap, aluminium waste and scrap, copper waste, sulphur and urea.

ABU DHABI: Same as for Saudi Arabia.

DUBAI: Petroleum crude, Iron and steel, scrap, aluminium waste and scrap, copper waste, scrap of non-ferrous metals.

QATAR: Petroleum crude, iron and steel scrap, aluminium scrap, urea, chemical products preparations; parts and accessories of machinery.

IRAQ: Petroleum, paraffin and mineral wax, dates, sulphur.

IRAN : Aviation spirit, kerosene and diesel oil; dried fruits (almond and pistachio nuts), medicaments, gum, dates, cumin and corriander seeds.

MAJOR EXPORTERS TO PAKISTAN :

The Gulf states with whom Pakistan has substantial trade relations includes Saudi Arabia, Oman, Qatar, Kuwait, UAE, Iraq. During the 1977-78 and 1979-80 period Pakistan's imports from these country's were 99.3% and 98.7% of the Pakistan's import were petroleum, crude and products, iron and steel scrap, aluminium waste and scrape, copper waste, sulphur and urea, scrape of non ferrous metals, chemical products and preparations, parts and accessories of machinery, paraffin and mineral wax, dates, sulphur-aviation spirit, kerosene and diesel oil, dried fruits, almond and pistachio nuts medicaments, gum, dates, curin and carrianduan seeds. For classified and statistical details please see Table 3-4 and 5.

Table - 3

Imports by Pakistan's economic category and X-ports by industrial origin (% of total value)

Total M-Ports	1974	1975	1976	1977	1978	1979	1980
1. Food beverages	22.30	22.70	20.10	16.00	18.50	19.00	12.30
2. Primary goods	12.50	16.80	11.80	08.00	10.90	09.90	04.30
3. For industry	08.80	12.90	07.90	02.10	06.90	06.40	01.60
4. For House holds	03.70	04.00	03.90	05.90	04.00	03.50	02.60
5. Processed	09.80	05.80	08.30	07.90	07.60	09.10	08.00
6. For industry	08.60	04.90	06.60	06.30	06.70	07.30	05.50
7. For households	01.20	00.90	01.70	01.60	00.90	01.80	02.50
8. Industrial supply	38.40	33.30	32.40	37.20	35.90	36.70	32.40
(a) Primary	03.80	04.60	03.90	04.70	05.60	03.60	03.70
(b) Processed	34.60	28.70	28.60	32.50	30.50	33.00	28.70
9. Fel: Combustible	13.70	17.80	18.00	15.70	18.80	16.70	26.80
(a) Primary	88.10	12.00	11.70	10.30	13.00	08.68	16.60
(b) Processed	05.60	05.80	06.30	05.40	05.80	08.00	10.30
(c) Motor spirit	00.10	00.30	00.30	00.30	00.20	00.20	00.80
(d) others	05.50	05.60	06.00	05.10	05.60	07.70	09.50
10. Machinery equip- ments	12.90	16.80	17.50	20.70	17.60	17.10	13.30
(a) Capital Equip.	11.70	14.80	15.70	18.40	15.40	14.80	11.60
(b) Parts	01.20	02.00	01.80	02.30	02.20	02.20	01.80

contd...../-

cont...

11. Transport	9.60	6.40	8.80	6.40	6.00	7.10	12.40
Passenger cars	1.20	1.00	1.20	1.30	1.40	0.80	01.30
Others	4.90	1.80	4.00	1.70	1.60	2.10	7.50
Industrial	4.60	1.50	3.50	1.10	0.90	1.30	6.90
Non-Industrial	0.30	0.40	0.60	0.60	0.70	0.80	0.70
Parts	3.50	3.60	3.50	3.50	3.00	4.30	3.60
12. Consumer goods	3.00	3.00	3.00	3.90	3.20	3.40	2.80
Durables	1.00	0.70	0.70	1.00	0.90	0.70	0.60
Semi-Durables	1.00	1.30	1.10	1.10	0.80	0.90	0.70
Non-Durables	1.10	1.00	1.20	1.80	1.40	1.80	1.40
Goods	0.00	0.00	0.10	0.10	0.10	0.10	0.00

Total X-Ports	1974	1975	1976	1977	1978	1979	1980
	100	100	100	100	100	100	100
1. Agriculture	13.50	21.50	12.40	11.60	16.10	10.30	24.00
2. Mining and Quarry	01.80	01.10	01.70	02.30	01.30	02.90	02.50
3. Manufacturing	84.70	77.10	85.90	86.20	82.60	86.80	73.40
4. Food beverages Tobacco	29.30	20.90	26.10	23.30	21.40	25.50	19.40
5. Textiles	42.60	45.70	50.20	51.10	51.90	48.60	42.70
6. Wood and Products	-	-	-	-	-	-	-
7. Paper and Products	0.10	0.20	0.30	0.40	0.50	0.20	0.30
8. Chemicals	1.70	2.60	0.60	0.20	0.10	0.10	0.20
9. Non-Metal Minerals	2.10	2.60	2.40	4.00	3.60	5.40	5.90
10. Basic metals	0.10	0.00	0.00	0.00	0.00	0.00	0.00
11. Metal Manufac- turing	4.90	4.40	4.40	5.20	3.80	4.90	3.90
12. Other manufac- turing industries	2.50	2.00	1.90	1.90	2.00	2.00	1.10

Source: 1980 year book of International Trade and Statistics, Vol 1, UNS New York, 1981, Imports by broad economic category and X-Port by industrial origin, pp. 738.

Table - 4

Pakistan's general trade with Gulf states in thousand rupees.

Imports country	1976	1977	1978	1979	1980
Saudi Arabia	164512	137063	301171	217261	513225
Kuwait	105678	119381	198231	327741	507475
U.A.E.	87486	118286	118193	96946	336015
Iraq	12262	11050	15071	89216	156729
Bahrain	23316	1058	1240	2054	28193
Qatar	17	13	34608	10055	4666
<u>Exports country</u>					
Saudi Arabia	63971	60615	66773	110602	141785
Kuwait	35283	28752	30165	26418	58313
U.A.E.	51225	44916	49653	112310	134650
Iraq	61015	50034	40330	62465	32055
Bahrain	11777	5972	11820	9997	20879
Qatar	7444	6601	3273	15907	5992
Iran	36510	91906	40059	56682	129061
Oman	9578	8321	22355	8114	9442

Source: 1980 Year Book of International trade and Statistics, Vol. I, U.Ns, New York, 1981, p. 739.

Table - 5

Pakistan's trade with Gulf states in Million Rupees

	1973-74	1976-77	1977-78	1978-79
<u>Exports Country</u>				
Saudi Arabia	396.60	461.90	426.00	946.50
Iran	326.20	886.30	524.50	464.20
Iraq	206.60	498.50	652.10	326.20
Kuwait	146.40	317.00	277.60	216.20
U.A.E.	194.80	557.10	212.30	598.80
Bahrain	101.40	68.10	75.70	88.60
Oman	73.50	115.50	327.20	89.10
Qatar	37.90	70.30	28.00	113.10
<u>Imports Country</u>				
Saudi Arabia	892.90	15939.00	2488.50	1962.00
Kuwait	498.10	1182.70	1469.40	2310.30
U.A.E.	18.10	1071.30	992.50	1318.80
Qatar	00.20	00.10	98.80	299.70
Iraq	8.10	144.70	117.80	128.10
Iran	221.40	30.60	56.50	59.30

Source: POT, Pakistan Series, Vol. VIII, Part 83, April, 19, 1980, pp. 742, 744.

TRADE WITH R.C.D. STATES :

Pakistan's partners in the RCD are Iran and Turkey. One of the main objective of the RCD to promote trade and cooperation among its members, geographically proximat to each other. The Izmir summit conference of RCD held in 1976 April, had decided to set up a free trade zone within period of 10 years. However, it is painful to note that no significant progress has been made in this field.

Pakistan's exports to Iran and Turkey as a whole has shown a rising trend during the last 10 years. As for data available to me 1973-74 to 1978-79, this trend is not steady. The exports which amounted to Rs. 332.10 mn. in 1973-74 jumped to Rs. 600.30 mn. in 1974-75, but came down to Rs. 250.6 mn. in 1975-76. Then increased sharply to Rs. 948 mn. in 1976-77. But fell to Rs. 760.4 mn. in 1978 and Rs. 624 mn. in 1978-79. Please see table 6B.³⁵

It will be observed that the share of Iran in Pakistan export trade has much higher than the share of Turkey during the past 10 years. The major item of export to Iran and Turkey included rice, henna, leans and powder, raw wool, leather manufacutes, metal manufactures, yarn of synthetic fibrics artificial silk yarn, machinery, non-electrical and surgical goods and instruments.³⁶

Just opposite of export Pakistan's imports from Iran and Turkey as a whole has shown a declining trend since 1971-72. The imports which amounted to Rs. 241.7 mn. in 1973-74 fell to Rs. 137.7 mn., Rs. 79.0 mn and 51.2 mn. in 1974-75, 1975-76, & 1976-77 respectively. However, they increased to Rs. 113.8 mn. in 1977-78 and 141.5 mn. in 1978-79 (see table 6B).

It will be observed that Iran's share in import is higher than Turkey's, from 1973-74 to 1976-77. But was lower than the later in 1977-78, 1978-79. Pakistan's trade with Iran recorded a continuous decline from 1973-74 to 1976-77, but showed some improvements in 1977-78 and 1978-79. Pakistan's imports from Turkey showed an significant increase in 1974-75 over 1973-74 but declined substantially in 1975-76. However, these showed a rising trend in 1976-77 and 1977-78 and 1978-79.³⁷ see table 6B.

A summing up, Pakistan's trade with the Gulf states has been growing since 1971 - But at a lower rate than that was expected in respect of the rest of the world. But this is due to the fact that the rest of the world also includes the developed states which provided this with the capital goods for economic development, when a muslim state is not in a position to meet these requirements. Capital goods accounted more than 30% of the total imports.

Table - 6B

Pakistan's trade with RCD
Xg

Country	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79
Iran	329.2	594.2	176.2	879.1	788.4	624.4
Turkey	2.9	6.1	82.4	68.8	243.9	160.2
Total	332.1	600.3	258.6	947.9	1012.3	784.6

<u>Mg</u>						
Iran	221.4	116.8	62.8	30.6	56.5	59.3
Turkey	20.3	20.9	16.2	20.6	57.3	82.2
Total	241.7	137.7	79.0	51.2	113.8	141.5

There is an old dictum, 'flag follows the trade' means through trade nations can develop their mutual understanding, cooperation and equitable order. In case of Pakistan and Gulf the economic diplomacy depends largely upon a limited number of items, markets have not grown significantly in terms of quality in exception of few items. The quality of manufactured goods, are not of international standards in several areas. The export - prices are also not quite competitive in the case of several export items. But the powerful motivations among Saudi's, who has made strenuous efforts to industrialize during the past few years

and also to improve its once rudimentary infrastructure to the modern western economics with her massive economic plans, 1st plan - 1971-75, capital - \$ 18 billion; 2nd plan - capital \$ 170 billions 1975-80, the 3rd plan 1980-85, capital \$ 250 billions with estimated surplus after the plan target of \$ 12 billions in 1979, \$ 39 bn. in 1980 and \$ 45 bn. in 1981.³⁸ It all leads one to assure that the kingdom will be making massive import orders during the years of immediate followings.

Bahrainian markets is rather limited, inspite of the fact that the government follows a very liberal policy with respect to trade. As far as U.A.E, which comprises of 7 Sheikhdoms, here the pace of development is perhaps not quite as rapid as it was a few years ago when it was found that the state was not capable of absorbing either the capital or influx of foreigners. Today UAE is oriented towards developing its infrastructure and creating an industrial base which will maximise the benefits of its hydrocarbon industry.

Iraq is different from other Gulf states. Like her brothers Iraq also expanding its industrial and infrastructural bases at a rapid pace. Two industrial sectors got highest priority - hydrocarbon and agriculture industry and for that it needs imports. When war will be over it again

needs massive build up for its devastated infrastructure, industrial set up and services.

Kuwait has pursued a double process of industrialization. Oman and Qatar follows a very cautious developmental plans, giving emphasis to agriculture and industry.³⁹

To strengthen the cause of friendship and brotherhood, economically and more specially trade wise Pakistan has started new programmes and economic, fiscal directives. A cash programme for maximising the production of all the existing items of Pakistan export trade would be launched with a view to increase Pakistanis export to Gulf states. Appropriate measures are also going to be taken to improve the quality of these exportable items with world standards.

Export oriented, new industrial set ups are coming up in Pakistan specially and preferably with the cooperation of Gulf states - to increase the diversity of Pakistan exportable goods to Gulf states. Preference has already been given to the establishment to those industries in which Pakistan enjoy comprehensive advantage in respect of availability of the raw materials, technical know-how and geographical locations - including capital as well as consumer goods required by Pakistan and the Gulf states.

Pakistan has already established a strong supporter of aforesaid (see coming chapter) for joint ventures among the Pakistan's and Gulf - Asian states and import their products, if needed on a preferential basis with a view to increase its imports from these countries.

Again there is a great scope for expansion of trade between the two. These oil rich states needs a larger variety of consumer and capital goods for modernising a rising living of standards of their people and for economic development and industrialisation. As they have abundant financial resources there ~~are~~ no import restrictions and foreign exchange controls. These countries are open markets, which are highly competitive. One should strive hard to capture this market by exporting goods of high quality at competitive prices. Sufficient knowledge and information about the products which can be exchanged within the Gulf Asian states is essential for the promotion of trade among them.

The first Islamic trade fair, was organised by Turkey in 1979 was a successful attempt to disseminate information about various products of Muslim states, specially from Middle East and the Gulf states, which could be exchanged among them selves. Such a fair was again held in Libya 1980, Bangladesh 1981 and would be in Morrocco in 1982. However, Pakistan is trying hard to hold its own trade exhibition at

various commercially important places in Gulf states. Pakistan has also tried to establish trade centres of Pakistan houses at important places in the Muslim world for the display of its economic developments, industrial innovations and exportable goods and services. Other measures taken by Pakistan to strengthen trade and economic ties with Gulf and Middle East states includes the exchange of trade delegations and visits of business men and investors, organisations of sales missions to explore the possibility of economic transactions.

The establishment of a common market of the Muslim countries is one of the basic objectives of the Islamic conference - until this objective is realised Pakistan had tried very hardily to revitalise the RCD and to expand this organisation to include as many as Muslim countries as possible. As decided by RCD summit conference held at Izmir, Turkey in April 1976, that there should be an establishment of a free trade area and Pakistan should take the initiative in negotiating with like minded Gulf and other Muslim states in reduction of Tariff's and removal of other restrictions on mutual trades on a reciprocal basis.

Over all Pakistan's trade with Gulf states are increasing considerably. It has got fair chances to accelerate and multiply it on account of its economics, ideology and geography. Equally the Gulf states also needed a durable

source for their economy in all the ways, because they
though that western economies and technology is not very sui-
table to them and influx of westerners and other - communities
created a social problems Pakistan as a Muslim brother with
Islamic ideology and under the system of 'Nizam-e-Mustafa'
can do a lot to stabilize and strengthen the cause of
Muslims and Gulf world vis-a-viz Pakistan.

--

Foot-Notes :

1. Bandhopadhyaya, J., Makings of India's Foreign Policy, p. 171.
2. Nicholson, H., Diplomacy; The transition from old to new diplomacy pp. 28-29.
3. Ali, Wasir, An economic policy for Pakistan; Pakistan Economist, Oct. 15-27, 1977, No. 42, p. 9.
4. POT, Feb, 23, 1977, Part 38, Vol. V, p. 265.
5. Ibid, p. 269.
6. Ibid, pp. 265-276.
7. Ibid, p. 277, No. 9, Part 39, Feb. 24.
8. Ahmad, Naveed, The 11th IFMC, Pakistan Horizon, Vol. XXXIII, No. 1 and 2, 1980, p. 60.
9. Dawn, p. 1, Feb. 26, 1982.
10. Pakistan Times (ed), 6th Feb. 1981.
11. Dawn, Feb. 26, 1982, p. 1.
12. Ibid.
13. Karim, A.K.N., Pakistan and Islamic state, p. 126.
14. Ibid, p. 126.
15. Ibid, p. 127.
16. Mujahid, Sharif-al., Ideology of Pakistan in A.K.N. Karim edited Pak and Islamic state, p. 141.
17. Islamic approach to economic activity and development by Khalid, M. Ishaque, Pakistan Economist, July, 2, 1977, Vol. 17, no. 267, pp. 18.
18. Ibid, pp. 18-19.
19. Ibid, p. 19.
20. Ibid, p. 19.

21. Summary of world broad cast (SWB) B.B.C., 28-30 Jan, 1980.
22. Iqbal, Zafar, Mismanagement of Pakistan economy, Pakistan Economist, Aug.-Sept. (27-2), 1977, No. 35, p. 17.
23. Bhatia, B.M., Economic policy, living beyond means, World Focus, Pakistan Today special, 15th March, 1981, p. 25.
24. Ibid.
25. Ibid, p. 26.
26. Ibid, p. 27.
27. Burki, Shahid Javed, Pakistan under Bhutto, 1971-77, 1980.
28. POT, Vol. V, No. 39, Feb. 24, 1977, p. 281.
29. Kissings contemporary arkives, 1974, p. 26689.
30. World trade by countries and region the Economist, 13-19 Feb., 1982, p. 110.
31. Ibid.
32. POT, Pakistan series, Vol. VIII, Part 83, April 19, 1982. p. 742-43.
33. Ibid.
34. Ibid.
35. Ibid.
36. Ibid.
37. Ibid.
38. A survey of Saudi Arabia: The Economist 13-19 Feb, 1982. p. 55.
39. The Arab Economist, Vol. XIII, No. 136, Jan. 1981, p. 14.

TECHNICAL COOPERATION: AID, JVs, MANPOWER

TECHNICAL CO-OPERATION :

In my preceding chapters, I have already dealt with Pakistan's trade transactions with the Gulf states - and its common bondage with the Gulf regional states. Trade and economic interactions are the barometer of a country's relations with another - alongwith the prosperity and indicator of economic health of domestic economy. Foreign trade, aid and economic assistance have always played an important role in the development of a particular country. History will be a witnesses that throughout the ages, centuries, before governments were very aware of their relations with another sovereign states, and in the hour of need they transacted their very resources, as army, economic potentials and whatever the then time needed.

But in modern contemporary world, where the progress of bullock cart age to the age of space and thermodynamics travels, the situation is very different. When machines are replacing men in almost everything and the existing all the problems are solved by electronic precisions and sophisticated

technologies. States have become morons in the hands of their scientists and technocrats.¹ If the state is underdeveloped the whole thing will become suddenly unambiguous. As far as Pakistan's case is concerned, its a developing economy with vast economic potentials and it again needed a vast economic support to modernize and industrialize its economy. Alongwith it can help its sister economies in the Gulf states. Since, it has an appropriate third world technology, skills with Islamic systems as one of the beneficiaries.²

In the subsequent parts of this chapter I will deal with various economics and its tools which played a very significant role in cultivating and forging and still continuing and playing, close economic relations with Gulf states. Data may be insufficient to prove my points but that is true that these factors were mainly responsible for the development of Pakistan's economy viz-a-viz Gulf economies.

As I have told you that modern economic diplomacy is the diplomacy of economics and its tools like aid and assistance, JVs, manpowers, military cooperations and prospects, contracts etc. But in case of Pakistan and Gulf where Gulf needs manpower, skilled and unskilled, technology, services - managerial and administrative, markets and raw materials for

their tremendous big economic plans - Pakistan needs as a feed back from them as economic aid, assistance, loans, contracts, JVs, projects, to get hand some remittances and military aid and co-operations. Now let us come and see these tools and ~~the~~^{their} roles seperately.

ECONOMIC AID AND ASSISTANCE :

Foreign aid were very significant for Pakistan's economic developments and political stability. The term aid and foreign economic assistance in different forms had been very significant for Pakistan. Since its very inception and due to her economic bankruptcies after the partition, which lead Pakistan totally dependent over alien states for her economic developments, economic - stabilization after partition and during the time of crisis.

In general Pakistan's foreign aid during the period of 1950-1980, was \$14.8 billion. Out of these \$4.1 billion was in the form of grants; \$ 13.3 billion as a loan repayable in foreign exchange and \$ 0.4 billion in the form of loans repayable in non-convertible rupees. Out of total assistance amounting \$ 17.8 billion, only 9% were in the form of balance of payments support. The remaining 91% were tied to specific projects or commodities and were also confined to purchase from donor countries.

The project aid \$ 10.3 billion (58%); The non-project aid \$ 7.5 billion (42%); non-food \$ 3.9 billion (22%); food \$ 2 billion (11%) and balance of payment of cash receipt \$ 1.6 billion (9%). Disbursement of loans and credits upto the end of December 1980 amounted \$ 11.1 billion. Pakistan has repaid \$ 2.5 billion, Leaving a net debt of \$ 8.9 billion on December 31, 1980.³ That was a general assistance received by Pakistan during her 35 years of economic developments. But in the last 10 years the major financial problems have been posed by the tremendous increase in the prices of crude oil and fertilizers, both of which constitute an unescapable part of any developing economy. Failure of crops, internal breakdown and industrial uncertainties created another vacuum for economic development by that the economy as a whole was effected. Bhutto's unsuccessful economic diplomacy at both the - grounds - domestic and international hollowed the country to play an emergent and significant role - during the Middle East needs. And the oil import bill which alone has influenced Pakistan economy severely has risen from \$ 1729.4 billion in 1974 to \$ 2446.8 million in 1977 and \$ 3200-3400 million in 1981 and is increasing since then putting an incredible pressure on Pakistan's economy.

Economic aid from Gulf - countries which was almost negligible before 1971-72, has increased very considerably

since then. Although the western countries (specially USA) remain the biggest single group of donors to Pakistan. But the spectacular increase in economic aid received from Gulf states is note worthy (see table 1).

Table - 1

Disbursements of Foreign economic aid to Pakistan (\$ Millions)

Particulars	1972-73	73-4	74-5	75-6	76-7	77-8	78-9	79-80
1. Consortium	292.9	309.2	488.3	527.7	582.6	504.8	675.7	891.2
2. Aid, consortium members outside consortium arrangements	13.00	134.5	47.2	39.5	100.5	60.2	15.6	71.1
3. Non-consortium Excluding OPEC	48.9	23.7	30.8	75.9	49.7	106.3	140.1	66.2
4. OPEC	30.0	30.0	410.0	421.1	227.8	137.0	45.8	293.3
5. IMF Trust Fund	-	-	-	-	47.8	71.2	157.4	-
6. Relief Assistance for Afghan Refugees	-	-	-	-	-	-	46.6	-

TOTAL	354.8	497.4	976.3	1064.2	960.6	856.1	948.4	1326.8

Source: Pakistan Economic Survey, Government of Pakistan 1979-80⁴, p.737

Table - 2

Country wise break-up of the economic aid received by Pakistan
Upto March, 1980

(in million dollars)

<u>Country</u>					
1. U.A.E.	53.00	-	102.00	102.00	55.00
2. Iran	113.09	-	730.00	730.00	773.09
3. Kuwair	97.28	11.33	-	11.33	108.61
4. Qatar	-	-	80.00	80.00	80.00
5. S. Arabia	223.76	-	279.00	279.00	562.76
6. OPEC	39.70	-	21.45	21.45	61.15
7. Islamic Deve. Bank	15.00	71.19	-	71.19	86.19

<u>Project, Non-Food & Cash receipt</u>					
Total	471.83	82.52	1222.45	1304.97	1766.80

Source: Government of Pakistan, Pakistan Economic Survey, 1979-80, p. 737.

Again tangible results of Pakistan's policies in the direction of economic cooperation with the Gulf world are reflected in the assistance received by Pakistan from these countries since 1971 onward. It may be indicated as follows (see table 2, 3 and 4).

Table - 3

1972 - 1974

(a) General Purpose/Programmes/Loans

Iran (1)	\$ 580 million, (ii)	\$ 150 million
U.A.E. (1)	\$ 100 million	
Qatar (1)	\$ 10 million	
OPEC (1)	\$ 21.45 million	

(b) Project Assistance :

Saudi Arabia	\$ 130 million
U.A.E.	\$ 92 million
Iran	\$ 75 million
Kuwait	\$ 45 million

(c) Relief Grants for Earthquakedisaster :

Saudi Arabia	\$ 10 million
U.A.E.	\$ 8 million
Kuwait	\$ 8 million
Qatar	\$.1 million
Iran and others	\$ 27 million

Out of a total of \$ 1776.9 million that Pakistan has received in aid from Gulf states upto March, 1980, \$ 1680.14 million has been in the form of loans and remaining \$ 88.66 million in grants. The break ups of this total amount represents \$ 1222.45 million, \$ 471.83 million for balance

of payment support and the project aid respectively (see table 4).⁶

Table - 4

Total aid received by Pakistan by March 1980
(\$ Millions)

Particulars	Loans	Grants	Total
1. Project	464.17	7.86	471.83
2. Non-Project	82.52	-	82.52
3. General Purpose - Balance of Payment support	1141.45	81.00	1222.45.

TOTAL	1688.14	88.66	1776.80

Source: Government of Pakistan, Pakistan Economic Survey 1979,1980.

It is significant to note that while Saudi Arabia, Kuwait and UAE have provided the bulk of project aid all other countries including Iran have largely extended the balance of payment support. However, the more significant aspect of the economic assistance is to study the various development projects and the joint ventures in Pakistan and in the Gulf states in the help of Pakistan. A brief description of these projects, contracts, JVs, investments which I shall now take up, will give an idea about the involvement of the

Gulf states in the economic well being of Pakistan which is also an indicator of a firm and stable relationship between the two brotherly nations and groups. And the increasing dependencies of one another in all the economic ways also shows the stronger ties between the two.

IMPORTANT

AID AND ASSISTANCE, COUNTRYWISE BREAK-UPS; AFTER 1977 ONWARDS:

1. IRAN :

Rs. 1096.8 million Iranian aid to Baluchistan in 1977. These includes 5 major projects in Baluchistan aided by Iran. These projects were in the field of construction - like textile mills near quetta and at Uthal and the Balan Medical College complex; other planned projects are an engineering - college complex at Khuzdar and modern dispensary at temple Dera in Nazirabad district. A cement plant assisted by Iran is at Darwaza near Quetta.⁷

(b) Pakistan government has agreed to construction of about 603 km. coastal highway linking Pakistan - Iran with other neighbouring states. The proposed coastal highway would connect Karachi with Gabdon the Pak-Iranian border, building a link for the Iranian port town on char-Bahar to the highway network emanating from there to Iran and others. Muslim neighbours pass through Osmana, Pasmī Qadar and Jiwari- the

highway would help in the development of fisheries, agriculture, industry, mineral potential and other natural resources of the region.⁸

(2) IRAQ :

Pakistan and Iraq signed a trade and investment, economic accord at a ceremony held at Rawalpindi on Jan. 18, 1977, since then Pakistan has got substantial contracts, projects and consultancy services in ~~Pakistan~~^{Iraq} with substantial aid to invest in Pakistan. (see contracts and projects, part).⁹

(3) Saudi Arabia :

Even, when Bhutto was the maker of Pakistan, and specially in his later part Saudi Arabia considered and gave her substantial aid assistance and moral support for its economic development. Arrival of Gen. Zia was a boon to Pakistan at least in economic matters. They have not only got millions of dollars as aid and assistance but millions of worth of projects, contracts, and millions of labourers skilled and unskilled are there to the help of Saudi-economy directly, and indirectly^{to} the Pakistan economy through their feed backs. Now let us see the important aids and assistance given by Saudi Arabia in latest years 1977 onwards.

(a) \$ 57.00 million Saudi aid for Indus valley - super highway project - a 1220 kms. in Aug. 1977. Alternative road link

between Peshawar and Karachi along the right bank of the river Indus. This will give far reaching socio-economic and strategic significance to the country. It is designed as a dual carriage way but initially a single carriage way will be constructed to an estimated cost of Rs. 3100million.¹⁰

(b) An additional \$ 500 million Saudi aid to Pakistan to meet its economic and defence causes; the aid which was in addition to the \$ 750 million aid pledged earlier, intended to help Pakistan, to meet its requirements following the Soviet occupation of Afganistan.¹¹

(c) Pakistan to help strengthen Saudi defence, both have agreed under which Pakistan will receive economic aid worth \$ 10 billion from Saudia, while it will provide training, facilities and trained army personnel to strengthen the Saudi defence. Pakistan's army and forces are also there to advise and consultancy services in defence needs.¹²

(d) Pakistan has got \$ 64.87 million Saudi aid for her Tarbella dam repairs in May 1980. And again Saudi fund for development has agreed to provide Pakistan assistance with values \$ 50 million. The fund will also give \$ 14.8 million for fertilizer terminal of port Qasim.¹³

(e) Saudi Arabia provided \$ 800 million to Pakistan to buy the latest weapons to use against military activities of the Soviet Union in Jan. 1981.¹⁴

(f) S.F.D. (Saudi Fund for Development) extended a loan to Pakistan \$ 50 million Saudi Riyal (\$ 15 million) to finance the Mohammadbin Qasim Project according to an agreement signed at Islamabad on Jan. 13, 1981. The fund has already extended a loan of 106 mn. S.R. to finance a fertilizer plant in Mirpur town, a loan for Pipri Thermal Power station 200 MW, project in the amount of 273.1 million. S.R. It has also extended a loan of 200.1 million S.R.S. for the repair of project of Tabella Dam. Now totally \$ 189 million.¹⁵

(g) A new Saudi Navy being built up from scratch with French help, it is largely run by Pakistan naval officers Pakistan army engineers are helping to build the new military cities around Saudi Arabia.

Pakistan Pilots have been flying in air forces of the Gulf states from 15 years; Oman has 10,000 troops recruited from Pakistan Makran coast region.

After the collapse of Dhafar rebellions Pakistan officers have taken over the duties of some ^{British} ~~British~~ and Iranian Officers in Sultan's army. Thus Pakistan troops will be ^{on} both sides of the strait of Hormuz.¹⁶

(4) OPEC :

\$ 11 million OPEC loan to Pakistan, interest free, meant for financing Pakistan - Arab - fertilizers company and Multan fertilizers projects. (in oct. 1979).¹⁷

Saudi has extended of \$ 40 mn. loan, officers said Saudi Arabia had already extended \$ 100 mn. for 4 projects, in Oct. 1977.

Islamic Bank to buy Pakistan refinery shares aid 3 projects and the bank will pay Rs. 45 mn. worth in dollar. The money will be spent on the refineries expansion projects.¹⁸

OPEC has approved an interest free \$ 25 million for Pakistan.¹⁹

(5) IDB :

Islamic development bank had given 2 million dinars interest free and is in the form of equality participation in the project, to carry out the modernisation of Lawrencepur wollen and textile mills, Bakistan Industry, commerce and investment company PICIC had already sanctioned Rs. 33.50 million to finance the project in Dec. 1977.²⁰

\$ 3 million financial assistance was released by IDB to federal chemical and ceramic corporation as equity support to national fabres, project of the corporation.²¹

IDB had extended \$ 147000 aid to Pakistan for her 3 projects. The Hazara Medical College has been given \$ 100,000 for supporting the hospital projects, while the world-Muslim congress, Karachi, and world federation of Islam mission, Karachi, got \$ 37,000 and \$ 10,000 respectively, July 1980.²²

Another \$ 3.6 million IDB loan would be available to Pakistan for a polyester plant to be established in Pakistan. The equity participation facility will be in the form of 30% shares of the company that will run the plant. The plant will produce 12,000 tonnes of polyesters fibres and 3,000 tonnes of polyester yarn to meet the domestic requirements of the textile industry. March 1980.²³

Pakistan will get \$ 155,000 in the year 1981 from the Islamic solidarity fund (ISF) for 3 institutions in the country. \$ 65,000 for the research institute, \$ 60,000 for the college of civilization medicine and \$ 35,000 for the institute for political studies in Pakistan. Beside this an assistance of \$ 75,000 for 5 organisations in various cities of Pakistan. Zakhunder educational association \$ 20,000; Islamic feature science news paper \$ 5,000; the Arab league propagation society in Karach \$ 25,000; the world accord on Islamic Da'wa, Karachi \$ 10,000 and the Hamdiyah Badrul Ulan school Rahimyan Khan \$ 15,000.²⁴

LDB had extended another \$ 18 million Islamic bank loan to Pakistan to buy vessels for its new state Loaker company.²⁵

\$ 10 million IDB loan was given to Pakistan dam project for increasing the availability of drinking water for Karachi in 1981.²⁶

And \$ 11.5 million IDB loan for the import of equipment of motor tyres and tubes company to boost its production in Dec. 1980.²⁷

The board of directors of IDB which concluded a 4 day meeting at Jeddah on Dec. 30, 1981 last decided to approve a \$ 5.5 million loan to Pakistan to step up its production of lubricating oil from 82,000 to 100,000 tonnes per year.²⁸

Pakistan had received another \$ 20 million IDB loan for fertilizer perchase, and Urea, agreement was signed at Islamabad on Sept. 14, 1980.

KUWAIT :

The board of directors of Pakistan-Kuwait investment company has sanctioned assistance of Rs. 25 million to the industrial project in Pakistan. Of this Rs. 16 million would be in the form of direct equity participation, Rs. 25 million by way of underwriting public issues of shares and Rs. 6 million as loan financing. The project includes, a 100 bed private hospital in Lahore, an agriculture protten unit at Kasur, two units of pre-fabricated construction and high tension cables manufacturing at Lasbella and knitted garments cum hosiery unit at Karachi. Board also assessed for assistance to a Modarba company coming up in collaboration with Pak's other institutions.²⁹

The Kuwaiti fund for economic development sanctioned an amount of \$ 33 million for Quetta based semi-gas project - 350 kms. long pipeline in April 1981.³⁰

Kuwait has extended another \$ 10.9 million loan for Pak-Fertilizer Plant (Fauzi) with 50 million tonnes of urea per year by natural gas from the manifolds as a raw materials.³¹

Kuwait has also accepted a Pakistan plan to train doctors from Arab and Islamic centres in Pakistan, when a big Islamic medical centre (IMC) established, Kuwait has also extended a loan worth of \$ 530 million for the import of finished oil products to Pakistan from Kuwait. The import includes - high speed diesel, Kerosene, light - speed diesel and high octane blending component. Kuwait will also provide Pakistan, finished petroleum products while crude oil is imported from UAE, Saudi Arabia and a small quantity from Iran.³²

During the last one year Pak-Kuwait fund for economic development has signed so many projects as aid and assistance programmes as mentioned above. Except this they also sanctioned a loan of \$ 58.7 million for Baluchistan, Quetta national gas project (as mentioned above) and 15 million for rural electrification, under later agreement 180 villages were to be electrified, besides 500 tubewells in rural areas

and establishment of small scale industries. Another aid of \$ 1 million was for providing drinking and irrigation in Quetta-Gadani region.

The other projects aided by K.F.E.D were Suddu-Karachi power transmission line, for which Kuwait gave a \$ 4 million and the consultancy contracts for Pak-railways for which it gave \$ 2.5 million, Kuwait also gave balance of payment support to Pakistan worth \$ 130 million and gave a boost in Pakistan - Kuwait JVs Co. which was initially set up with a capital of \$ 25 million had been raised to \$ 100 million and as authorised capital of \$ 200 million (in July 1981).³³

U.A.E. :

Pak had got Rs. 40 million from the Dubai for her 21 mile Bahawalpur-Yazman road, Dec. 1980. And Sheikh Rashid Bin Saeed Al Maktoum, Vice Pres. and Prime Minister of UAE, ruler of Dubai will finance the construction of a new road in Baluchistan. The total cost would be Rs. 500 million and link-zero-point with Osmana, on Makrans coast, with the proposed 160 mile metalled road to Rahimyar Khan Lasbela near Utbal.³⁴

Pakistan had received another \$ 27.1 million Abu Dhabi loan for her Tabbella dam. Another \$ 28 million Abu Dhabi loan was extended to Pakistan for her Tabbella dam. The loan was repayable within 18 years with a grace period of 4 years.³⁵

MAJOR CONTRACTS, PROJECTS AND JOINT VENTURES :

(i) IRAQ: A Rs. 1370.00 million Iraqi contract for Pakistan, for land re-clamation in Iraq. Pakistan's mechanized construction company had on the contract (Oct. 1977).³⁶

(ii) Pak firm had won another prestigious \$ 210 million contract in Saudi Arabia and Iraq. The N.D.C.C. and mechanical construction company of Pakistan, two government sponsored enterprises have been awarded power and agriculture project worth of \$ 210 million, Jan. 1978. The mechanized construction company of Pakistan has been awarded \$ 137.00 million agriculture projects for irrigation at Khaliz near Baghdad - for 25 MW power station 75 km. distribution power line with 12,000 to 13,000 domestic power connection.³⁷

(iii) Pakistan's national engineering service, Ltd. (NESPAK) had got Iraqi irrigation ^Ministry contract, Feb, 1980, for the provision of consultancy services for the Euphrates east drain project. The project Rs. 2000 million to remove drainage waters from irrigation projects located between Euphrates and Hillah canal and discharge it through the Tigris Euphrates main-drain into the Gulf.³⁸

(iv) The national engineering services of Pakistan (NESPAK) has been awarded the 4th major contract in Iraq for providing consultancy engineering services for new Rumaila - irrigation and drainage project in Sept. 1981. The total contract cost

is \$ 560 million, will cover gross area of 37,000 hectares, which will also help and include a construction of a new drainage system to counter the effect of increased irrigation which may result in salinity and water logging due to rise in water table. The project area lies approx - 250 km. south of Baghdad.³⁹

SAUDI ARABIA :

(i) Pakistan-Saudi Arabia had signed an agreement to build a hotel at Riyadh - as a joint ventures, Jan 1978. Total cost would be \$ 23 million. Saudi will share 51% of the total. After this JV, more Hotels at Jeddah, Dhahram, and Yanbo in Saudi Arabia and else where would be taken in hand.⁴⁰

(ii) Pakistan will provide the Saudis with railway know-how, provision of Tech-personnel and all possible cooperation between the two railways. Pak has also agreed to provide facilities for training to Saudi railway staff in operation, modern signalling and in other technical fields.⁴¹

(iii) The international transport company, a Pak-Saudi Arabia JVs in the private sector, has decided to enter transport sector in the country, both for the transportation of passengers and goods, the concern will imports 500 chassis of trucks and buses. Initially it would cover one or two cities. Gradually under the phased programme the company would over

other major city (ies). Over Rs. 8 million both in Pakistan and foreign currencies would be invested in this venture.⁴²

(iv) Again union bank of the ^{Middle} ~~Middle~~ east has sponsored a joint Pak-Arab consortium in the field of construction industry to help muslim countries undertake major developmental projects and to acquire modern technical know-how. Its head-quarter would be at Dubai. The JVs which has been named as engineering service International consortium will have 12 major Pakistan firms as its member - since they are already executing major projects in the modern tech. with ~~the~~ modern construction technique.⁴³

(v) Pakistan's Airport Agency (IDA) has won two more contracts in Saudi Arabia, Jan. 1981. The contracts are in the field of construction of a Rs. 300 million multi-story building at "Al-Bilad" in Riyadh and landscaping and plantation at Yanbu, a new industrial city and port being developed on the red sea, about 100 kms. from Medina, at the cost of Rs. 62 million.⁴⁴

(vi) Pakistan has got another \$ 104 million Saudi Railway contract for Saudis 160 km. railway track between Hafoof and Dammam, Aug. 1981.⁴⁵

(vii) \$ 225 million Saudi housing contract for Pakistan at King Khaled military cõntonment in Hafr-Albaten, Oct. 1981.

This brings the value of contracts in housing assigned to the Pak firms in Saudi Arabia more than \$ 500 million. It build facility with \$ 120 million at Dhahran air base and participated in civil engineering work for Al-Kharj electricity schemes to the tune of \$ 90 million.⁴⁶

U.A.E.:

(i) The state owned national construction company Ltd. (PNCC) had won another big project worth Rs. 187.5 million for building a major trade contract Abu Dhabi, Sept. 1977. The company is already executing major works worth Rs. 413 million in Abu Dhabi, bringing total value of NCC under construction worth overseas Rs. 3340 million.⁴⁷

(ii) Pakistan firm to export transformers to Doha Abu Dhabi. A Pakistan engineering firm manufacturing electrical goods has been granted this contract, worth Rs. 17.5 million thus opening a new avenue for the export of manufactured goods, July 1980.⁴⁸

(iii) Pakistan will set up a telephone cable factory with the collaboration of the UAE and also lay submarine cables between the two countries. The factory costing \$ 20 million would not only help Pakistan to meet the country's telephone cable requirements but also save Rs. 120 million which the government is spending annually on the import of cables.

The total cost of the project \$ 50 million would strengthen the existing communication facilities between Pakistan and UAE and Pakistan's living in UAE and their relatives in Pakistan.⁴⁹

(iv) Pakistan and UAE have agreed that the lawyers of one country can appear in the courts of the other. The agreement was arrived at during the UAE delegation visiting to Pakistan on Jan. 7, 1981. They also agreed to exchange judges.⁵⁰

OMAN :

Oman has evinced interest in setting up JVs in steel, refinery, re-rolling, sugar, footwear, dry cell and lead acid batteries, glass, food processing, cement, coconut oil and soap. National engineering services Pakistan (NESPAK) in association with (PEADAC) has been awarded a major contract by Oman for providing consultancy services for the planning and designing of a new community centre at Ghubra South. The township on development is estimated to cost \$ 60 million. The services will provide a detailed (Preparation) development of an area 150 hectares and design infrastructure for the area 500 units, schools, clubs, playing fields shopping facilities, clinic, post-office, telephone, police station, fire-station etc.⁵¹

IRAN: Iran had given Pakistan \$ 828 million for the Iran-Pakistan cement factory which is being set up at Darwaza, 22 miles from the Quetta Pakistan, Nov. 1978,⁵²

Pakistan and Iran were agreed on a joint livestock ventures established at an estimated cost of Rs. 380 million. The project is on 50,000 acres of land and irrigated by canals and tubewells. The equity of Iran in the JVs 49%, Pakistan 51%, but both will equally share the beef, mutton, and vegetables produced by the project, June 1978.⁵³ Karachi shipyard and engineering works (KSEW) are working from a military task which will provide Iran with 19 vessels, cargo to Iranian navy. The capacity of each and every cargo vessel would be 800 T.W. Iran has already got 13 vessels out of 19.⁵⁴

Once president Zia had urged to the economists to work out a viable framework of Islamic monetary and fiscal system to do so away with the present exploitative economic system. Inaugurating a seminar on Monetary and fiscal economics of Islam at Islamabad Jan. 6, 1981, he says neither capitalism nor communism provided an answer to man's economic problems. While one laid emphasis on freedom ignoring bread for all and other stressed - material needs at the cost of freedom for everyone. Stating that Islam alone provides a balanced approach and could serve as a beacon to mankind, he called on Muslim - economists to present a concrete framework in the light of Islamic teachings.⁵⁵

Stressing the need of Pakistan economy he had 3 key tasks - tightening of financial management; simplification of procedures and reduction of the country's economy on foreign

dependence - but to sustain closer economic relations with Gulf states. Now let us go back to the projects, aids, JVs and developmental aids programmes of Gulf countries in Pakistan viz-a-viz in Gulf states.

Substantial government and private investment has flowed in from the oil rich Gulf states into Pakistan. These investments are estimated to total \$ 1500 million. The largest investment has come from Saudi Arabia, Kuwait, Iran, UAE, Iraq, Qatar and Islamic development bank Jeddah. In addition OPEC's members have provided low interest or interest free loans and grants. Arab states and Iran have bought equity interests or invested in much public sector - enterprises as a refinery, fertilizer textile mills, cement plant, polyesters plant. In private sector, large investments have been made by Saudi Arabia, Kuwait, Qatar, Abu Dhabi, in general industries like Aluminium ^{coil}, printing paper, glass and steel bars, hotels. Saudi Arabia's project aid to Pakistan until 1981 was \$ 500 million. Another \$ 1000 million was extended to Pakistan for her joint Tarbella, Dam, a thermal power plant in Karachi, the construction of Port Qasim, laying a power transmission line and buying railway engines and ~~to buy~~ \$ 800 to buy weapons for Pakistan's army due to the Soviet occupation of Afghanistan. Some \$ 50 million has been sanctioned to use to set up a joint industrial and agricultural investment company. It seems to ^{we} ~~say~~ if one ^{into} gets the

rising trends, that more Arab investors particularly from Saudi Arabia and the Gulf states will set up joint ventures in Pakistan. Many investors have offered to set up export oriented industries in free zone which the government is establishing near port Qasim, near south of Karachi.

Kuwait channels funds through an active Kuwait - Pakistan investment company. Private Arab investors, including the rulers of seven UAE groups bought lands and property in Karachi and elsewhere. Middle east bank operating in Pakistan have been funding private sector property development and industrial schemes. Several banking enterprises have been started jointly by banking groups of Pakistan, Saudi Arabia, and the other Gulf states. One of them is the Jeddah based bank-Al-Jazirah, in which the national bank of Pakistan has a share of 35%.

Contract and JVs wise Pakistan's construction company, engineering firms have landed lucrative contracts in many Arab countries. In the past 5 years the Karachi based semi-government owned national construction company has completed 50 big projects in Saudi Arabia, Kuwait, UAE, Iraq, Iran and other Gulf states; in the field of refineries, hydro-electric and thermal power plants dams, underground water reservoirs, points and industrial plants. The mechanized corporation of Pakistan another semi-government corporation

of Pakistan, is working on a large scale land reclamation^{Orma} and irrigation schemes in Iraq smaller construction firms have moved into South Arabia, and the Gulf and are doing good business. Consultations in industry, agriculture, power generation and transports have prospered in many Gulf states. The national airline PIA and shipping corporation of Pakistan are making considerable profits on their Gulf services. Insurance firms too have won business in the Gulf states insurance and re-insurance markets.

EDUCATION AND TRAINING :

The new spirit of cooperation with Gulf states is reflected in the greatly increased educational and technical training facilities, which have been provided to students from Islamic countries. Unlike the ad-hoc measures taken in the past, trainees and students from Gulf countries are now received in Pakistan under a planned programme. Facilities are provided in Pakistan's professional - institutions on a government to government basis. Countries like Kuwait, UAE, Saudi Arabia and other Gulf states for the first time, shown their keen interests in sending their students to Pakistan. In addition, a programme of providing technical - assistance to Gulf states has been initiated and expanded steadily during the past few years. By placing technical expertise on a rationalised basis at the disposal of Gulf states, Pakistan has enabled them to receive high class training in a country geographically near, culturally similar

and financially inexpensive. The following are the main fields in which Pakistan is now extending technical assistance to her Gulf brethren:

- (i) Training facilities in medicine, engineering, banking, general education, dentistry, pharmacy, accountancy and in other educational fields.
- (ii) Provision of experts on deputation.
- (iii) Provision of skilled and semi-skilled manpower.
- (iv) Training of personnel in the industrial field.
- (v) Monetary grants and the supply of services and equipment.
- (vi) Granting of scholarships to foreign students within Pakistan's resources.⁵⁶

The frequency of contacts between Pakistan and the Gulf states during the last 5 years is attested by the facts that both Gulf states, head of states and Pakistan's head of state - visited several times to their brethren states. The CMLA visited Saudi Arabia three times and also visited the UAE, Kuwait, Bahrain, Oman, Qatar. The ruler of Dubai and Abu Dhabi consider Pakistan as their 2nd home and spend some time every year in the country. These visits at the

highest level are accompanied by regular exchanges of visits by ministers and officials.

Since 1971, Pakistan has signed several cultural cooperation agreements with a number of Gulf states including Libya, Algeria, Sudan, Kuwait, Mauritania and Iraq. These cultural agreements have added a popular dimension shown to Pakistan's academic and journalistic delegations in other countries had cemented relations at the grass root levels. Concrete steps have also been taken for the implementation of cultural agreements, which had existed on paper only under previous regimes.

In addition, importance is being attached to the promotion of Arabic and Persian languages in Pakistan which will contribute to the further strengthening of Pakistan's relations with the Gulf world and a better understanding of its Islamic heritage. Besides an Islamic centre to be set up in the Saudi assistance as part of the Shah Faisal Mosque in Islamabad, 3 other Islamic centres are proposed to be established in Lahore, Peshawar, Quetta with the help of U.A.E. The mutual interchange between Pakistan and Gulf states at a popular level consists not only of the visits of cultural groups but also of the delegations of the ruling political parties to each others. These are the brief introduction of Pakistan's economic interactions with the Gulf to strengthen

their ties, mutually, bilaterally or collectively. Further, to emphasize my points of Gulf states and Pakistan's growing relations - Pak-business houses and foreign business houses have established their offices in respective countries. According to a study, at present there are 88 branch offices of foreign countries (concerns) as ~~observed~~^{observed} liasion offices in Pakistan.

Pakistan business ~~men~~^{men} and industrialists on the other hand have 58 branch offices in 15 countries and 13 JVs offices in seven countries abroad.

The country wise break down of the offices of foreign firms in Pakistan and Pakistan's business houses abroad are given below (see tables).

Table

Foreign business houses in Pakistan

Country	Permission granted for opening of branch offices	Permission granted for opening of liasion offices
Bangladesh	1	-
Egypt	1	-
Indonesia	1	-
Iran	1	-
Jordon	-	-
Nigeria	1	-
U.A.E.	3	-

Source: Pak. Sept. 1, 1980, Vol. XXIII, Part 184, pp.1537-38. ⁵⁷

Table - 11

Pak. Business houses abroad

Name of the Country	Permission granted for open branch of	For joint ventures
1. Afghanistan	x	1
2. Iran	2	x
3. Iraq	1	x
4. Lebanon	x	1
5. Libya	1	x
6. Malaysia	3	x
7. Nigeria	x	1
8. Saudi Arabia	5	3
9. Sudan	x	x
10. Oman	1	x
11. U.A.E.	13	5

Source: Pot Sept. 1, 1980, Vol. VIII, Part 184, pp 1537-37.⁵⁸

MANPOWER :

Manpower supply, skilled and semi-skilled, to the Gulf is the greatest boon to the developing economies and specially for those who have additional or surplus labor force, beyond the absorption of ~~of~~ their own economies and capacities. Gulf as I have told, is lacking desperately manpower - skilled as well as semi-skilled personnel for their economies and security purposes; importing substantial number of manpowers from the neighbouring developing economies as well as from the developed worlds for their own going projects developmental programmes and services. Since, they even does not have technical know-how, importing these expertise from the above mentioned states to do well on their aspirated modernization and industrialisation plans. Pakistan is also a developing state and possesses a character of labor surplus. Its rate of growth of population is 3% and often exceeds, needs additional job facilities, opportunities. Unemployment is rampant in such sorts of economies. The economic boom of the oil exporting Gulf countries and their massive drive for modernisation and industrialisation, provided an opportunity ~~an~~ unprecedented in amount, of employment for skilled and semi-skilled labour force and which Pakistan exploited then to its best.

Pakistan exported man power of 152,000 during 1980-81 with plans in hand to liberalise the emigration laws to meet

the future demand of the Gulf states. These modifications in the law are expected to work as incentive in removing bottle-necks in the recruitment process which is considerably painful for the illiterate intending workers, who make about 50% of the total Pakistan manpower - estimated around 2.2 million of these 550,000 are in United Kingdom, 40,000 in USA and Canada; 40,000 in West Germany and Europe; 700,000 in Saudi Arabia, 50,000 in Kuwait, Qatar + Bahrain 225,000 in UAE, 60,000 in Iraq and 70,000 in Libya. A small number in Jordan, Turkey, Iran, Australia and Greece.⁵⁹

Further exports are a little bit slumped due to Iran-Iraq war but not in a substantial way since a very small portion of labour force is working in two countries. Pakistan has very insignificant labour force in Iran, while in Iraq it has 60,000. Instead of war Pakistan exported 20,000 skilled workers to the Gulf and 5,000 of them went to Iraq despite the war. For the year 1981-82 government has a net target to send 200,000 to 250,000 men abroad. This target would be one million by 1985, if other things remaining the same, says one Pakistani government official.⁶⁰

These warranted goal is going to be done by 3 international consortiums of construction companies; for their projects in the Middle East, Gulf states, and Saudi Arabia. Overseas economic corporation has already held preliminary

talks with the representatives of these companies. Further, Pakistan manpower promoters association has been assured by the government for the full support from economic fall out from the Gulf war.⁶¹

The destruction wrought by the Iran-Iraq war is tremendous. Large areas have become desolate; oil based industries in both the states have suffered grievous damage. Millions have become houseless and uprooted. Other economic losses, direct and indirect, are incalculable but what Iranian demanded as a condition for making peace with Iraq has war \$ 150 billion reparations to be precise and it was some month ago. Both needs construction of their own economy.⁶²

Despite certain adverse exogenous factors like the worldwide recession, plummeting world commodity prices and a massive influx of Afgan refugees; Pak's economic continued on the path of revival set in motion in, 1977; GDP is expected to increase by 6.6% or 6%. If the harvest turns out to be covered than last year (1980); The commodity producing sector, continued to out pace the services sector, the growth rate in the manufacturing sector increased by 12.1%; sugar output rate by 41%; industrial sanctions rate from Rs. 9.4 million in 1972-77 to Rs. 37 billion beginning July 1977-

Dec 1981. Public sector industries production rate by 13% sales of their products rate by 17%; all public sector corporations registered profits; the first blast furnace of Pakistan steel mills was fired on Aug. 17, 1981, Agricultural sector according for 20% of GDP grew at 4% the import of wheat was discontinued, oil import bill shot up by 66% to \$1.667 billion; credit expansion from July 1981 to Dec. 1981 was to the tune of Rs. 9.448 million compared Rs. 4.774 million in the corresponding period of the previous year; inflation rate showed a decline over the first 3 quarters of 1981 and the increase in whole sale prices declined from 105% to 36%; commerce price is dropped from 123 to 7.7%; Zakat beneficiaries numbered 1.4 million is compared to 1.2 million in 1980; trade and balance of payments position continued to be affected by worldwide recession; with the delinking of the Pak rupee from US \$ coupled with plummeting demand for rice and cotton; the growth trend of 26% in export carrying was halted; the influence of however remittances recorded a decline due to the US dollars appreciation during the fiscal year 1981, cannot account deficit in balance of payments was expected to go up by \$ 318 million.⁶³ Economic development necessitates both capital and technological manpower. The oil producing Gulf states have large capital surpluses available for the development of basic infrastructure in their home states. Their total population is 28 million with a population density of only 5 person too a sq. kms. Besides, there has

been a great dearth of skills even in basic crafts such as masonry, carpentry, automobile mechanics etc... amongst the local population on the country, the neighbouring Pakistan has a high population with tremendous resources in skills and craftsmanship but unfortunately has poor financial resources.⁶⁴

There is no mile stone on the road of economic progress which has not been established with the help of Pakistan working hands. Pak manpower migrating to ME, can be classified and grouped as under :

- (1) Manpower recruited by Pak orgns to work on their projects contracted by them in the ME/Gulf states (see table 1).⁶⁵

Major occupational groups of emigrants in Gulf/ME (%)

	Construction workers	- 83.16
	Professional + Managerial	- 4,32,00
	Clerical staff	- 1.52
	Service workers	- 2.19
	Sales worker and Businessman	- 5.95
	Miscellaneous	- 2.85

- (2) Manpower (individual migrants) working in ME eastern countries as professional engineers/contractors, doctors teachers, skilled/unskilled workers (Table 2).⁶⁶

Pakistan migrants in ME countries upto 1980 (%)

	Saudi Arabia	-34.00
	UAE	- 20.00
	Others ME	- 15.06
	Other countries	- 30.04

Table - 7

Estimated number of Pak. Emigrants in ME - Dec. 1980.

<u>Countries</u>	<u>In millions</u>	<u>%</u>
Saudi Arabia	0.654	34.00
U.A.E.	0.385	20.00
Other M.E. state	0.300	15.06
Total M.E.	1.339	69.06
Other countries	0.554	30.04
<hr/>		
GRAND TOTAL	1.923	100.00

Source: Ibid, p. 9.⁶⁷

Table - 4

Major occupational groups of emigrants in M.E. countries

<u>Group</u>	<u>In million Nos.</u>	<u>% of Pak</u>
Construction	1.114	83.16
Unskilled	0.570	42.55
Skilled	0.544	40.61
Professional and Managerial	0.058	4.32
Clerical Staff	0.020	1.52
Service Workers	0.029	2.19
Sales workers and Businessman	0.080	5.95
Miscellaneous	0.038	2.85
<hr/>		
TOTAL	1.339	100.00
<hr/>		

68- Ibid.

Table - 5

Contribution on of Pak Orgns to the Economic Development of ME

Name of the Project	Location	Contract value in million	Status of project
1. Ground level water reservoirs-I	Abu Dhabi	US \$ 10	completed
2. Ground level water Reservoir-II	-do-	US \$ 8.5	-do-
3. Peace Howk V	Saudi Arabia	US \$ 157.00	-do-
4. 3rd stage expansion Zago refinery	Jordan	US \$ 24.0	-do-
5. Trade Centre	Abu Dhabi	US \$ 17.5	-do-
6. Sabah Al-Salim Housing	Kuwait	US \$ 121.00	70% would be completed in 1983
7. High level water reservoirs	Jabel Ali Dubai	US \$ 13.5	Completed
8. Akbbg Medina	Saudi Arabia	US \$ 60.78	-do-
9. Extension of cement factory Baizil	Y. Yemen	\$ 18.4	Date of completion Dec. 1982.
10. Underground water reservoirs	Abu Dhabi	\$ 13.43	Completed
11. Irrigation Project, Baghdad	Iraq	\$ 55.37	-do-

contd...../-

cont..

12. Al-Ain Prison Project UAE	UAE	\$ 18.0	date of completion Feb. 1983
done by National Construction Company (NDD)			
13. North rop/US Air force base	Dehram-Saudi Arabia	SR - 26.4	Completed
14. Al-Khang electrification scheme	Saudi Arabia	SR 83.00	-do-
15. Overhead bridge of Sofina Road Jubail	-do-	SR 3494.00	-do-
16. Al-Bilal Centre	Riyadh, Saudi Arabia	SR 100.00	by Dec. 83.
17. King Khalid Military city Areas (1 and 3)	Saudi Arabia Al-Balal	SR 692.84	by Dec. 82
18. -do- (2 & 5)		SR 772.001	by Oct 82
19. Saline water conversion corgn headquarters and ancilliary buildings	S.A. Riyadh	Rs. 134.227	by June 82.
20. Planatation and land scaping Al-Nava village	Saudi Arabia	SR 20.730	by July, 82

* Done by ADA Projects

21. Al-Khahera Dariz Road Project	Oman	N.A.	Completed
22. Feeder Roads along Mattrah Qariyat highway	-do-	Rs. 52	65% complete

contd...../-

cont...

23. Seela-Alhand Highway	Iraq	Rs. 67.50	50% completed
24. Eupharater East Drain Project	-do-	Rs. 1000	started
25. Zubair irrigation project	-do-	Rs. 450	by Sept. 82
26. Vertical drainage project	-do-	N.A.	by Dec. 82
27. Blue dam water supply project	Nigeria	Rs. 200	by Dec. 83.

* by National Eng. Service Pak. Ltd (NESPAK)

28. Al-Khanj electrification system	S. Arabia	SR 300	completed
29. Exparban work of Al-Khaj Electrification system	-do-	SR 66.00	in hand

by National power Construction Co. Ltd. (NPCC)

30. Khalis K-2 project	Iraq	N.A.	in hand
31. Dalmaj project	-do-	N.A.	-do-
32. Douth Ruj project	-do-	N.A.	completed

by Mechanised contr. of Pakistan

Source: Pakistan: The Gulf relationship, Pak-Economist
Sept. 6, 1980, Vol. 20, no. 36, pp. 1-5.⁶⁹

Pakistan's relationship with Gulf states are rooted in the history and culture of the region - not to mention the over-riding close affinity arising from a shared modern revival of a common faith. Even a cursory glance at the map would suffice to show that Pak is linked with the Gulf states in regional-Geo-political ties which constitute a permanent reality, irrespective of their formal recognition.

Pakistan failed to perceive the significance of this crucial importance of a Gulf-relationship during the first quarter of its existence, because of its excessive pre-occupation with the affairs within the Indo-Pak sub-continent and its unwanted involvement in the conflict between Pak-Arabian and Pak-Islamism. Pakistan's need for identifying the new parameters of its international relationship suited to its changed situation after Bangladesh crisis, coincided with a wide-front development in the Arab world giving high prominence to Pakistan as an important Gulf neighbour.⁷⁰

The nature of economic relationship between the two Pak-Gulf states has altered a great deal over the period of the late 40s - when Pak emerged as an independent state. Gradually, Pakistan has become a major economic and political entity well on the way to industrial development. It had stated its career with a competent administration, an effective army and vast reservoir of skills alongwith a well-developed infrastructure.

There was a natural desire to seek technological assistance from Pak and use its intuition for strengthening Gulfs drive towards modernization. The temptation may be too great to base the new relationship on the current perspective alone and view the needs of Pak seeking help from an efficient neighbour. This would be sighted. There is a great mutuality of interests. Gulf faces problems of affluence as much as Pakistan faces problems of poverty. There should be an attempt to build a strong long term relationship unaffected by changing economic situation of either nation. Gulf states are indeed in a position to provide financial assistance to Pak and has been in the vanguard of those among OPEC states who have advocated that oil exporting countries should assured responsibility for helping the third world in the line with their newly acquired economic affluence and state in the world economies.

REMITTANCES :

Pakistan is reaping substantial benefits from the Middle East oil bonanza apart from increased trade, petro - dollars aid and investment, the longest windfall is the massive amount of money sent to home by the Pakistan nationals working in Gulf states and Middle East countries. Faced with a large gap in the balance of payments, a heavy debt-servicing-burden a big oil bill of \$ 1000 million a year and growing fastly, a population increase of nearly 3% yearly Pak has become more dependent on its expatriates earnings. Last year with a balance of payment deficit of about \$ 1400 million r emittances from

Gulf states, equated the total export earnings. As for growth of foreign economic aid slows down and the cost of imports goes up, their remittances are becoming increasingly vital to Pakistan's economy.

Experts advise that expatriates will send at least \$ 2000-25000 million in the fiscal year of 1980-81 of this total, more than 80% will be from the Gulf, particularly from Saudi Arabia, Qatar, U.A.E., Kuwait, Oman. In the fiscal year of 1978-79 the remittances were approximately \$ 1500 million and 5 years ago they were only \$ 288 million.⁷² For yearwise breakup is given below:

Yearwise breakup of remittances

<u>Year</u>	<u>Million Rs/Pak</u>
1973-74	1,488
1974-75	2,271
1975-76	3,495
1976-77	5,845
1977-78	12,135
1978-79	14,812
1979-80	18,375

Source: Dawn, overseas, Tufail Ahmad Khan, March 3, 1981, pp. 1-19.

Expatriate sector represented by Pakistani abroad and their transfer of remittances have rapidly grown ^{from} year to year. Its likely to ^a reach \$ 3,000 million by the end of 1981. Last year \$ 1500 million total accounted for 7.5% of Pakistan's GDP of about \$ 20,000 million. Economic planners are grateful for the support of between \$ 1500 to 2000 million which will be available from expatriates earnings for at least the coming years increasingly way up to \$ 3000 million to help to bolster the economy against balance of payments worries and other difficulties. ⁷³

Apart from all these they send \$ 500 worth of goods during 1980-81 fiscal year. Including from electronic goods to garments - like, watches, cameras, VCRs, radios, two-in-ones, cons, ready made garments, luxurious cosmetics etc. that will also help the economy in both the ways goods wise as well as surcharge (excise duty) by the Pakistan's governments. Since Pakistan government has already liberalised the investment policies for investors, those who are living abroad investment opportunities in Pakistan ^{are} now undoubtedly ^y greatest ^a today. And Pakistani nationals - working in the Gulf would be well advised to invest their savings in industries of their own choice. Establishment of several industrial estates during the last few years providing various physical facilities besides a 5 year tax holiday are among important incentives.

Most profitable opportunities for small and medium size investments exists in the food farming sector, as dairy, poultry, fishery, cattle breeding, meat processing and packing, fruit and vegetable preservation etc. Not only to substitute imports but also to export to the near by Gulf states. Which presently have to import it from others. Clothing hoxiery in an other profitable field for investment with an eye on the regional markets.

A Well planned efforts were made in Jan. 1980 to attract the savings of Pak abroad into industrial investment by institutional means. This was state enterprises fund services 'A' which has so far been the only massive to implement the idea spelled out by the federal finance ministry.⁷⁴

To extract more earnings and to facilitate them for that, incentives should also be given. For that there are some suggestions as follow :

- (1) Floatation of multipurpose or general purpose MODARBA 'Companies' beapned to Pak nationals abroad;
- (2) More floatations under the state enterprises mutual fund scheme (S.E.M.F.);
- (3) Revision of gift and baggage rules to allow duty ~~free~~ free import of machinery, commercial transport equipments and industrial goods;

- (4) Better coordination between the foreign branches of Pakistan financial institutions on the one hand and the project identifying and sanctioning agencies in Pakistan on the other;
- (5) Concerted propaganda and ~~and~~ information drive, particularly in Saudi Arabia and Gulf regional states;
- (6) Inviting peoples (expatriate-delegations) from abroad for information meetins; and
- (7) Conclusion of agreements with the states of Middle East/ Gulf states under which stock exchanges of Pakistan could open branches in those countries.⁷⁵

Foot-Notes

1. Syed, Naziullah, Appropriate technology, Pakistan Economist, July 9, 1977, no. 28, p. 13.
2. Alan, Chakley, Appropriate technology demands Asian-Angemity, Pakistan Economist, July 9-15, 1977, no. 28, p. 18.
3. POT, July 16, 1980, pp. 1696-97.
4. Table- Government of Pakistan, Pakistan Economic Survey, 1979-80, pp. 738.
5. Table - 2 Government of Pakistan, Pakistan Economic Survey, 1979-80, p. 738.
6. Table-2, POT, Part 39, Vol. V, Feb. 24, 1977, p. 282.
7. POT, Part 57, March 28, 1977, p. 434.
8. POT, Part 10, May 11, 1978, p. 1002.
9. POT, Part 14, Jan. 20, 1977, p. 108.
10. POT, Part 160, Aug. 24, 1977, p. 1248.
11. POT, Part 185, Sept. 2, 1980, p. 1544.
12. POT, Part 188, August 25, 1980, p. 1593.
13. POT, Part 98, May 9, 1980, pp. 868-69.
14. Nawai Wart Daily, Pakistan 3 Jan., 1981, p. 1.
15. POT, 15 Jan. 1981, p. 106.
16. POT, June, 24, 1981, pp. 7469-70.
17. POT, Part 199, Oct. 10, 1979, p. 1593.
18. POT, Part 205, Oct. 17, 1977, p. 1671.
19. Pakistan Times, 2 Dec. 1981.
20. POT, Part 246, Dec. 12, 1977, p. 2170.
21. POT, Part 234, Nov. 3, 1980, p. 1932.
22. POT, Part 143, July 8, 1980, p. 1284.

23. POT, Part 48, March 6, 1980, p. 461.
24. POT, 27 May, 1981, p. 1206.
25. Pakistan Times, 2 July, 1981.
26. Pakistan Times 14 Dec. 1981.
27. POT, Dec. 25, pp.3051.
28. POT, 3rd Jan, 1981, Vol. IX, Part 1, p. 1.
29. POT Vol. VIII, Part 250, Nov. 25, 1980, p. 2109.
30. POT, April 9, 1981, p. 839.
31. POT, Part 198, May 8, 1981, p. 1058.
32. POT, May 12, 1981, p. 1080.
33. POT, July 22, 1981, pp. 1734-35.
34. POT, Vol. VIII, Part 257, Dec. 3, 1980, p. 2170.
35. POT, Dec. 19, 1981, p. 2997.
36. POT, Part 194, Oct 4, 1977, p. 1563.
37. POT, Jan 16, Part 12, 1978, pp. 175-76.
38. POT, Feb. 3, 1981, p. 223.
39. POT, Sept. 12, 1981, p. 2117.
40. POT, Jan. 13, 1978, Part 10, p. 145.
41. POT, Nov. 10, 1980, Part 239, p. 1982.
42. POT, Part 58, Mar. 10, 1980, p. 562.
43. POT, Part 37, Feb. 21, 1980, p. 381.
44. POT, Jan. 15, 1981, p. 107.
45. POT, Aug 24, 1981, pp. 1955-56.
46. POT, Oct. 28, 1981, p. 2460.
47. POT, Part 175, Sept. 10, 1977, p. 1387.
48. POT, July 4, 1980, Part 140, p. 1245.

49. POT, Apr. 11, 1980, Part 76, pp. 675-76.
50. POT, Jan. 9, 1981, Part 9, p. 64.
51. POT, Dec. 8, 1981, p. 2886.
52. POT, Part 225, Nov. 11, 1978, p. 1909.
53. POT, Part 122, June 5, 1978, p. 1200.
54. POT, Part 69, Apr. 1, 1980, pp. 626-7.
55. POT, Jan. 8, 1981, p. 46.
56. POT, Part 39, Feb. 24, 1977, Vol. V.
57. POT, Vol. XXIII, Sept. 1, 1980, pp. 1537-38.
58. POT, Vol. VIII, Part 184, Sept. 1980, pp. 1537-38.
59. POT, July 22, 1981, p. 1737.
60. POT, Apr. 11, 1981, p. 856.
61. Pakistan and Gulf Economist, July 31 - Aug. 6, 1982, Vol. 1 No. 19, p. 6.
62. Pakistan and Gulf Economist, June 19-25, 1982, Vol. 1, No. 13, p. 9.
63. Ibid.
64. Ibid.
65. Raza. H. Syed, Paks share in prosperity; Pakistan and Gulf Economist, Oct. 9-15, 1982, Vol. 1, No. 29, p. 8.
66. Ibid, p. 9.
67. Ibid, p.9.
68. Ibid.
69. Pakistan : The Gulf relationship, Pak Economist, Sept. 6, 1980, Vol. 20, No. 36, pp. 1-5.
70. Ibid.
71. Ibid.

72. Tufail, Ahmed Khan, Earnings of Pakistan abroad, Dawn, 28 mn. 1981, pp. 1 + 19.
73. MEED, 16 May, 1980, Vol. 24, No. 20, p. 6.
74. Tufail Ahmad Khan, Earnings of Pakistan abroad, Dawn, 28 March, 1981, p. 19.
75. Ibid.

C O N C L U S I O N

After the sun set ^{of} British empire throughout the globe and emergence of independent states including Pakistan, after the 22nd World War, there was a new awakening among the newly independent states. There was an awareness of need for changes in economics, politics and strategic set up. The emergence of bipolar world with poliocentricity in trends - economically, culturally, politically + militarily; plus the establishment of United Nations and its powerful international agencies and powerful significant regional groups aggravated the whole situation for a rapid change of their economics. Industrial cooperation and coordination in all the fields of economics with the identity of interests in other fields was the growing phenomenon among these newly independent states. Identity of interest was due to their colonial past, for economic development, security, political stability and for territorial integrity. They were afraid of super powers bracketization, finlandization, and alignment of states into military power blocs, to use against each other and in general against the poor developing world. They had denounced the very idea of these alliances and asked for economic cooperations among the Third World - for a just and equitable distribution of economic

resources, technology, production, free from regional and international or any other sorts of rivalries for peace and economic development, based on mutual understanding and cooperation.

Islamic Republic of Pakistan was born on 15 Aug. 1947, in the same precarious conditions, having the characteristics of colonized state, from the British colonial yoke. Economy was under developed and totally disrupted by the division of the sub-continent into India and Pakistan. Administration was in these borders were insecure, country was facing an acute immigration and trans-migration problem with social disorders all over and in all the spheres of the newly born Pakistan. Since, then Pakistan was in the need of a viable alternative, to wound up her heels of division and to compensate her economic, political, strategic, ^{territorial} ~~territorial~~ loss by cultivating relations with outer world. Though it could not succeed in her primary attempts to establish a close relations with any outer world due to its immature diplomacy with these states and mostly due to the turmoil all over the world after the 2nd World War, political circles and nationalist movements throughout the world, military powers attempt to divide the world into their own political spheres, liberation movement among the various Asian, African and Latin American states. Pakistan leadership at this time was totally helpless and unsuccessful to play a significant role for outer and struggling third world

states. Its role was limited due to the powerful urge among the peoples for democracy and constitutional form of government elected on the basis of international franchise and non-aligned movement among the third world countries. No Pakistani leadership was so mature and foresighted in 50's as Nehru, Nasser, Sukarno, Tito, U. Nu, Singhnook and so many others in their respective state to play a significant and dominant role internationally and domestically.

The power struggle and quick succession of few individuals, Pakistan's preference for military government and power blocs based on western oriented and aided military alliances, separation from the third world, since it was unable to come under the non-aligned main-stream, were the few and significant factors which alienated Pakistan from the rest of the third world, communist world, Arab world and again it lost its credibility among the states still struggling for their independence against the colonialists with whom Pakistan had signed a military pact.

The first reaction came from the Arab world with whom Pakistan always claimed a dearest and nearest brotherly relations. Again here Pakistani policy makers were unsuccessful to see the blowing currents of Arab Nationalism, Pak-Islamism and Pak-Arabian movements and these states were afraid that Pakistan had joined hands with anti-Islamic and anti-Arabs and

Muslim forces. Creation of Israel and the role played by these colonial powers, one can't forget, and positively these Arab nationalists cannot. Pakistani alliance was the cause which had throughⁿ Pakistan a decade back from its cordial and mutual friendship, which had emerged during their national movement for independence and after they got their real dream.

It was only after the liberation of Bangladesh from the Pakistani administration emergence of powerful Middle East - economically, politically, strategically and militarily more-developed, cohesive and advanced with emergence of new states from Arab Gulf Shiekhdoms - Qatar, Oman, Bahrain, U.A.E. and Kuwait, Pakistan had developed closest possible relations. And the process is still on for more and more cooperation in the various fields of day to day life.

What is more significant about Pakistan and Gulf states is that they have a common faith, religion, way of life, customs, including geo-strategic, geopolitical, ethnic, and cultural proximity among themselves. Pakistan always considered the Gulf states as her kin and long lost brothers. Introduction of 'Nizam-E-Mustafa' and Islamization of economy and general way of life again brought Pakistan much closer to the peoples of Gulf. Proclamation of Arabic as national language of Pakistan would help her in manouvering her diplomacy in these states in a much bigger way.

Gulf states have suddenly become financial super powers, after 1973 oil price coup. They have hundreds of billion of surplus dollars. They are using it for their own economic modernization, industrialization, building infrastructures and services - alongwith they are investing a hand-some chunk of their money into third world and developed western states. They have signed contracts and joint ventures projects with several states including Pakistan as one of the most favourable beneficiaries as in economic aid for Pakistan's developmental plans, projects, services, militarization, atomic activities, space activities. They have given billions of aid and assistance under their various programmes and funds for modernization of Pakistan economy and to raise standard of living of Pakistani masses. There is a further recommendation that let there be mutually beneficial cooperation between Pakistan and Persian Gulf states by exchanging what they can give and take from each other.

By building a strong Pakistan, economically it was believed that Pakistan can help her brotherly states in so many ways. Since Pakistan has all the potentials, technology, raw materials, skilled and semi-skilled labor force, it can do not only to industrialize and modernize the Gulf world with Pakistani attempts, but also can give self-reliance to Gulf states. And if not self reliance, Pakistan itself can fulfill the need of the Gulf states.

Militarily, again Pakistan is most powerful and experienced among all the Gulf states. The turmoil in that very sensitive region of Gulf - intra-regional, inter-regional and extra-regional rivalries, Iran-Iraq war, Zionism as a greater threat to regional stability and territorial, integrity and sovereignty of the Gulf states, increasing communist pressure in the Middle East and Persian Gulf, occupation of Afghanistan by Moscow, boiling Lebanon, P.L.O. problems, are the few significant points where regional politics are moving. In that way Pakistan can do a lot atleast in inter-regional, intra-regional disputes and to some extent extra-regional wars by her military potentials in setting down them and bringing that region into a stable, cohesive and developed region. Pakistan's sincerity in training, stationing the troops, arms supply and manufacturing for them can be seen in this perspective. By that way Pak can be the sole protector of this region and have ample degree of control over their policies. By moulding their policies in her favour, Pakistan can get diplomatic and political boost atleast for her own security in the near future, and can control outer world's intervention, interference in that very region. Pakistan may be in a more bargaining position, if it achieved that much warranted control.

One more thing behind Pakistan's repeated emphasis on 'Islamic bloc' theory is that Pakistan can check its competitors from the developed world developing world and from the Islamic world also. Pakistan has a history of revolutions in

all Islamic forums for this and that is why it assisted so many organisations and commissions for a cohesive Islamic world, that could help Pakistan for her security - economic development and would give a forum to play a role at international levels.

Pakistan had always a pinch when (India) became the leader of the whole third world, since then Pakistan tried to organise Muslim world under one banner in the name of Islam and Islamic brotherhood to achieve the goal ~~the goal~~ to play a leading role at international level. Having failed in that mission, Pakistani decision makers in late 60s and in early 70s organised Islamic conferences for the fulfilment of that very objectives.

Pakistan has now completely aligned herself with various Arab and Muslim world organisations. As :

- (i) Arab united military command - Tunis, Tunisia, 1964 for the liberation of Palestine;
- (ii) Arab Eco. Unity Council, 1953, for eco. coordination and policies of the member states.
- (iii) Joint Defence Council: To supervise implementation of those aspects of the treaty concerned with common defence.

- (iv) Arab centre for the study of Dry Regions and Arid Territories; Damascus, Syria.
- (v) Arab League educational, cultural and scientific organisation (ALPCSO) Tunisia, 1964 - To promote intellectual unity of the Arab countries by means of education to raise cultural standards, to enable the Arab states to participate in technical development to establish specialised institutions; to train experts for research in Arab civilization.
- (vi) Academy of Arab Music.
- (vii) Arab centre for Industrial development, Tunisia, 1968.
- (viii) Arab Institute of forestry, Syria.
- (ix) Arab Labor Orgn; Iraq, 1965, for Cooperation in labour problems.
- (x) Arab Orgn. of Administrative Sciences; Amman, Jordan, 1961.
- (xi) Arab Orgn. for Ag. Research/D; Sudan, 1969.
- (xii) Arab Orgn. for Standardization and Metrology; Jordan 1965.
- (xiii) Arab Postal Union, Tunisia, 1954.

- (xiv) Arab states Broadcasting Union (ASBU) Tunisia, 1960. To promote Arab fraternity, to acquaint the world with the Arab nations - coordinate and study broadcasting subject to exchange expertise and technical cooperation in broadcasting.
- (xv) Arab Tele-Communication Union Iraq, 1958. to coordinate and develop tele-communications between members states, to exchange technical aid and encourage research.
- (xvi) Civil Aviation Council of Arab states, Morocco, 1965.
- (xvii) International Arab Organ. for social defence against crime, Morocco, 1965.
- (xviii) Joint Arab scientific Council for the utilization of Atomic energy.

All these are undoubted possibilities. But let us now see what has stopped Pakistan from realising them. The idea is not all that new either. It has been around for some time. The previous government organised the second Islamic Conference with a view to achieving this, among other objectives. Many publicities waxed eloquently on this theme soon after the Lahore summit. The ^{ev}thiasism for what were called trilateral deals - Arab money Pakistani land and labor and western technology was boundless.

But the past 10 years witnessed a dismal success. How many of these fond hopes could be realized? Apart from some political, economic and cultural cooperations, nothing of the

originally alluring prospect could be translated into reality. Oh ! one forgets that there have been some Arab investments and forms of aids, contracts, joint ventures for Pakistan. But these do not amount to even a third of what the Pakistan is getting from western world. Why this disappointment, despite the commonality of Pak-Islamic sentiment and other objectives between Pakistan and the Gulf states ?

RIVALS IN THE FIELD :

Pakistan is not the only state which is looking and gazing for Arab gold. So many third world, Muslims, and western and eastern world are looking towards the Gulf's precious oil and money contracts, joint ventures, hoping aids and assistance, capital investment in their economy. Pakistan forgot others. The non-Muslim western world had more ideas and influence, after singing a long and loving song of sympathy for LDCs plight, they proposed various schemes to recycle the petrodollars with the emphasis on the LDCs plight gradually getting a trifle flushed. The Arabs quickly accepted these and soon a quantum of disposable dollars dwindled to relatively insignificant amounts; indeed before long, many oil rich states began asking for temporary accommodation from Euro-dollar market.

Then it so happened that some other muslim states also had begun thinking similar thoughts. One knows for certain about Egypt, Sudan, Turkey. One saw a major Turkish leader

went around the Gulf world urging deals for Islamic armament industries based on Turkish manpower and technological skills. The Egyptians were hammering away at the same idea even earlier and they spoke Arabic. The Sudan's development was accepted as a priority, early on. At any rate such ideas remained ideas and the Islamic solidarity, such as it was in 1973-74, has taken a lot of battering since then. Does one go into what has been displayed by 3 current wars, in the Maghreb, Lebanon and the Shatt-el-Arab ?

Be that as it may, let us look a little closely at this alluring idea of developing Pakistan agriculture (Ag) and industry, armory with the help of Arab capital so as to be able to grow enough food and goods to meet all the needs of the people around the PG. The fact is there is not much of the Arab money available to Pak in any meaningful sense. But was that a sufficient reason for Pak to remain at today's level of development ? Why could Pak not develop/discover alternative source of investment ?

SCOPE OF RELATIONS :

Further the scope of Pakistan's relations with Gulf states and the degree to which they have been consolidated since 1971 can be judged from the following facts :

- (1) The historic convening of the 2nd Islamic Summit Conference in Lahore, 1974, under the sponsorship of the late Mr. Z.A. Bhutto and King Faisal.

- (ii) The establishment of joint ministerial commissions for processing cooperation in various fields with Gulf and Middle East states including the contracts, projects, and joint ventures.
- (iii) Protocol for cooperation in the military field with the Gulf states.
- (iv) Economic assistance for Pakistan - as aid, loans, capital investments.
- (v) A phenomenal increase in Pakistan's trade with Gulf states.
- (vi) Arrangement for technical assistance and employment of skilled, semi-skilled manpower from Pakistan in various Gulf states.
- (vii) Regular exchange of visits at the summit levels as well as at the ministerial level with Gulf states.
- (viii) Contracts at cultural, and popular peoples levels; and
- (ix) Arrangements for systematic cooperations with Gulf states in international forums leading to the adopting of common position on various global issues.

At For the last I can say only that Pakistan can play a significant role in the Gulf states/region due to her physically

geographical proximity, cultural, religions, ethnic nearness, common faith and beliefs, understanding - and more due to her economic potentials, technological developments advancements and innovations, skilled, technocrates, expertise - managerial, administrative, manpower, military powers and competent and experienced leadership in diplomacy not only in Gulf but throughout the world. And further with the help of Gulf money and support Pak can play an important role for Muslim world to build up a towering Islamic solidarity group, for Islamic international brotherhood based on mutual cooperation, understanding, with prosperity and economic development.

TENTATIVE BIBLIOGRAPHY

BOOKS:

1. Ahmad, Mustaq, Pakistan and the Middle East, 1943
2. Ayub, Mohammad, Friends not Masters, 1959.
3. Agwani, M. S., Politics in the Gulf, 1978.
4. Ali, Boni. R, ed., Arab try Industrialization and economic Integration, 1979.
5. Ahmad, Khan Nabi, Coup, Iran, and Pakistan: The story of a cultural relationship through the ages, 19
6. Amirie, Abbas and Twitchel, Hamington A. (ed.), Iran in the 1980's. 1978.
7. Allies, Foreign policy of Pakistan, 1964.
8. Bhutto, Z. A., Politics of the people:
 - (a) Reshaping the Foreign Policy 1948-66, Vol. 1.
 - (b) Awakening the people 1966-1969, Vol.II
 - (c) Marching towards Democracy 1970-1971, Vol. III.
9. Bhutto, Z. A., Foreign Policy of Pakistan: Acompendium of speeches made in the national assembly of of Pakistan, 1962-1964-1966.
10. Bhutto, Z. A., Bilateralism: New Direction, 1976.
11. Bhutto, Z. A., The Third world New Directions, 1977.
12. Burkes, S.M., Pakistan Foreign Policy: An historical analysis, 1973.
13. Bhutto, Z. A., If I am assassinated, 1979.
14. Bhatia, B.M., Pakistans economic development 1948-1978, the failure of a strategy. 1979.

15. Bhargav, G. S., Pakistan in crisis-Spring of foreign policy in practice, 1969.
16. Bandhopadhyaya, J., Making of Indias Foreign Policy: 1970.
- 17; Burrel, R.M., The Persian Gulf, 1972.
18. Chaudhri, Mohd. Ahsen, Foundations of Pakistans' Foreign Policy.
19. Chaudhri, G.W. and Hasan Pervez, Pakistan's External Relations, 1958.
20. Chaudhri, G.W., The Foreign Policy of Pakistan, 1958.
21. Callard, Keith. B., Pakistan's Foreign Policy: An Introduction, 1957.
22. Case, Margret, H., South Asian History 1750-1950: A Guide to Periodical dissertations and News Papers, Prfnston, 1968.
23. Casadio, G.P., The Economic Challenge of the Arabs, 1976.
24. El, Rashid Galal, The Arabs and the World of Seventies, 1977.
25. Edens, Oil and Development in the Middle East, 1979.
26. Gauba, K.L., Pakistan Today, 1977.
27. Hussein, Arif, Pakistan, Its Ideology and Foreign Policy, 1966
28. Hassan, Pervez, Pakistan's International Economic Relations, 1958.
29. Hurevitz, J.C., Diplomacy in the near and the Middle East: A Documentary Record, 1914-1956.
30. Hawley, Donald, The Trucial States, 1970.
31. Hobday, Peter, Saudi Arabia: Today, An Introduction to the Richest Oil Power, 1978.
32. Iz Zeddin, Nezla, The Arab World, Past, Present and Future, 1953.
33. Issawi, Charles, Oil, Middle East and The World, 1972.
34. Khan, Liaquat Ali, Pakistan The Heart of Asia: Speeches in USA. And Canada, 1950.
35. Khan, Samin, Ideology, Constitution, Law, Foreign Policy, of Pakistan, 1961.
36. Khan, Zafrullah, M., Pakistan's Foreign Relations, 1951.

37. Khan, Sarwar Hasan, The Strategic Interests of Pakistan.
38. Kumar, Satish, The New Pakistan, 1978.
39. Kimche, John, The Seven Fallen Pillars of Middle East, 1915-1950.
40. Kimche, John, The Second Arab Awakening, 1970.
41. Khalif, A. A., Changing Political, Economic and Military Status of the Littoral Persian/Arabian Gulf States, 1979.
42. Lewis, Stephen R., Pakistan: Industrialization And Trade Policies for the Development of the Organization for Economic Co-operation and Development, London, 1979.
43. Mujahid, Sharif-al, Ideological Orientation of Pakistan,
44. Mosley, Leonard, Power Play in the Middle East(OIL), 1973.
45. Moir, Mordechai, Oil, Power and Politics: Conflict in Arabia The Red Sea and The Gulf, 1974.
46. May, Rupert, Persian Gulf States, 1959.
47. Marlowe, John, The Persian Gulf in the 20th century, 1962.
48. Rushbrook William, LF, Pakistan under challenge; London Strategy International, 1975.
49. Shervani, L. A. The Objectives of Pakistani Foreign Policy,
50. Shervani, L. A. Foreign Policy of Pakistan: An Analysis, 1964.
51. Siddiqui, Aslam, A Path for Pakistan.
52. Singh, Sangat, Pakistan's Foreign Policy: An Appraisal, 1970.
53. Sayeed, Khalid, B. Pakistan: The Formative Phase 1857-1948, ed., 1968.
54. Saligman, Harris, In the Shadow of Afghanistan, 1981.
55. Sanger, R. H., The Arabian Peninsula. 1954.
56. Ssayigh, Yusuf, A., The Determination of the Arab Economic Development, 1978.
57. Ssayigh, Yusuf A, The Economy of Arab World Development, 1945.
58. Singh, K. B. Iran: quest for Security, New Delhi, 1980.

59. Taseer, Salman, Bhutto: A Political Biography, 1980.
60. Tahitiner, D.R., National Security Challenge to Saudi Arabia, 1978.
61. Wilson, Arnold T., Persian Gulf: A Historical Sketch from the Earliest times to the beginning of the 20th Century.
62. Wilson, Rodney, Trade and Investment in The Middle East, 1977.
63. Surendra Bhutani, Contemporary Gulf, ed., 1980.

C: ARTICLES

1. "Arab Scientific Activities in the 100 Years", Middle East Forum, Vol. XIII, No.4, 1966.
2. "A Towering Sible of Islamic Solidarity", Dawn, 3rd April 1975.
3. "Appropriate Technology, Export, Inefficiency and a Comparative Environment: Some Evidences for Pakistan," Pakistan Economic Quarterly, November 1970.
4. "Arabian Oil Ventures", Middle East Forum, Vol. XIX, 1965.
5. "A Handful Assurances: Pak-Saudi Co-operation", April 29, 1978, No.17. Pakistan Economist.
6. "Aizaz Ahmed Hashimi, "Transfer of Technology", May 16, No.18, Pakistan Economist, 1978.
7. "Arab aid takes up Pakistan", Pakistan Economist, No.xv, 1978.
8. "Arab economic conference: destination", Muslim Integrity, July 15, no.28, 1978, Pakistan Economist.
9. "Arab institutions for developmental aid", No.8, Feb. 24, 1979, Pakistan Economist.
10. "A Friend Indeed", no.36, Sept. 16, 1980, Pakistan Economist.
11. "Arab power base", Far Eastern Economic Review, 99(1), January 6, 1977.
12. "A positive approach to the economic aid", Foreign Affairs, vol.39, no.3, April 1961.
13. "A developmental model and foreign aid requirements in Pakistan", Pakistan Developmental Review, vol.VXI, no.3, 1977.
14. "Aid to aggressed is Islamic duty, Faisallands valour of Pakistan," Dawn, April 9, 1966.
15. "Brothers in Trade and Industry", August 16, 1980, no.33-34, Dawn.
16. "Brotherly Relations above Politics", September 27, no. 37, Dawn, 1980.
17. "Bhutto Govt's Performance in Economic Front", Dawn, Karachi, Aug. 17, 1977.

18. "Collective might of the Muslim Nations", June 14, 1980, no.24, Pakistan Economist.
19. "Criteria for Industrial Investment", August 17, 1980, no. 33/34 Pakistan Economist.
20. "Capital Investment together Mementum", Pakistan Economist, August 17, 1980, no.33/34.
21. "Common faith bolster ties", Pakistan Economist, August 17, 1980, no.33/34.
22. "Coming stability in Saudi Arabia", Strategic digest, January 1978.
23. "Changing Faces of Saudi Arabia", Pakistan Times, May 27, 1966.
24. "Deed in the heart of Islam"; King Faisal's economic revolution", Guardian, April 18th, 1973.
25. "Economics and Arab Political Union", New Outlook, vol.3, no.6, May 1960.
26. "Education and Science in the Middle East", (Arab world), Middle East Forum, vol.21, Spring 1967.
27. "Education and man Power", August 12, 1978, no.32, Pakistan Economist.
28. "Engineering Industry in Pakistan", no.25, 1978, Pakistan Economist.
29. "Economic Ties with The Muslim States", (Middle East), Pakistan Economist.
30. "Export potentials of Pakistan", Pakistan Economist, vol. XVII, 1978.
31. "Exploring Construction potentials in Middle East Over Seas Projects", Vol. XXXV, Pakistan Economists 1978.
32. "Exploring New Avenues", Vol. XXXVI, Pakistan Economist, 1978.
33. "Economic Foreign Policy: Three Tiers and Three Dimentions", April 20, 1979, no.17, Pakistan Economist.
34. "Economic Relationship with Saudi Arabia", December 13, 1980, no.50, Pakistan Economist.
35. "Economic Problems under Bhutto", Asian Survey, 16 (4), April 1976.

36. "Future Development of the Muslim States", November 19, 1972, Pakistan Economist.
37. "Focus on Pakistan Economic Potentials", Vol. XXVI, no.25, 1978, Pakistan Economist.
38. "Financing Development Plans in Pakistan", Pakistan Development Review, Winter, 1965.
39. "Focus on Saudi Arabia: Assertive Diplomacy", Strategic Digest, June 1978.
40. "Foreign Technical Assistance, Sense and Non sense", Social Research, Autumn, 1959.
41. "Faisal's Pledge of full support to Pakistan: Saudi Arabs are your Brothers", Dawn, 21st and 23rd April 1966.
42. "Fraternal Ties with Pakistan", Pakistan Times, April 22, 1966.
43. "Future course of the RCD, Iran, Pakistan and Turkey.", Aussen Politik, 20(2), 1977.
44. "Gulf Pattern", Hindustan Times, 3rd July 1971.
45. "General Framework for the Pakistan's Foreign Policy towards the Gulf Region", Strategic Studies, 1(3), October December 1979.
46. "Islamic Development Bank: Utilization of equity Financial Flow", May 17, 1979, no. 20, Pakistan Economist.
47. "Islam and Modern Industrial State", May 3, 1979, no.25, Pakistan Economist.
48. "Islamic Chambers of Commerce, Step towards Unity and Co-operation", March 31, 1979, no.13, Pakistan Economist.
49. "Islamic Relations with Pakistan-Kuwait", February 21, 1981, no.8, Pakistan Economist.
50. "Industrial Cooperation Among Muslim Nations", January 31, 1981, no.5, Pakistan Economist.
51. "Identity of Interests", January 31, 1981, no.5, Pakistan Economist.
52. "Islam Beyond Oil", February 1980, no.5, Pakistan Economist.

53. "Industrial Revolution in Pakistan", August 16, 1980, no. 33/34, Pakistan Economist.
54. "Islamic Shipping the Floating Crescent", September 27, 1980, no. 37, Pakistan Economist.
55. "Industrialisation in Pakistan: A Case of Frustrated take off?" Pakistan Developmental Review, Summer 1963.
56. "Import Licencing in Pakistan", Pakistan Developmental Review, Spring 1964.
57. "Introduction: Domestic and International Forces and Strategies of Foreign Economic Policies", International Organisation, vol. 31, no. 4, 1978.
58. "Importance of Oil Companies", Foreign Policy, 227, Summer 1977.
59. "Internal Values and External Threat: The Making of Saudi Foreign Policy", Orbis 23(10) Spring 1979.
60. "International Islamic Conference", (Economic), Karachi, Economic Survey of Middle East, Middle East Economic Digest, 1979.
61. "Islamisation of Economy", Economic Review, Pakistan, 9(11), Nov. 1978.
62. "Kuwait: A Lost Market for Pakistan", March 17, 1980, no. 20, Pakistan Economist.
63. "Kuwait looks forward", Pakistan Economist, Aug. 16 1980, no. 33/34.
64. "Kuwait Fund for Economic Development", Pakistan Economist Aug. 16, 1980, no. 33/34.
65. "Kuwait Investment Company", Pakistan Economist, Aug. 16, 1980, no. 33/34.
66. "Kuwait facts and figures", Pakistan Economist, Aug. 16, 1980, no. 33/34.
67. "Muslim Common Market", Special Report, September 9, 1978, Pakistan Economist, no. 36.
68. "Muslim Nations Economic Profile", Pakistan Economist, Jan. 31, 1981, no. 5.
69. "Man Power, will demand remain continue after 1980", Middle East Economic Digest, London, vol. 23, no. 13, 1979.
70. "More Pak-Saudi Co-operation likely: King Faisal's visit", Morning News, April 13, 1966.
71. "Joint Pak-Saudi Industry likely", Dawn, September 22, 1966.

72. "Oil in Saudi Arabian politics", National Herald, 1975.
73. "Oil and the Persian Gulf", The fortnightly, May, 1950.
74. "Oil in the services of Arabcausa", Middle East Forum, Vol. XIII, no. 1, 1966.
75. "Oil Prospecting" : Enters Gulf Oil, Pak. Eco. Vol. XXXVI, no. 25, 1978.
76. "O.A.P.E.C.F aid Mar. 31, 1979, no. 13. Pak. Eco.
77. "Oil Wealth for the People", Aug. 16, 1980, no. 33/34; Pak. Eco.
78. O.A.P.E.C. : "Its growing role in Arab and World Affairs", Journal of energy and development, 3 (1) Autumn 1977.
79. "Pakistan and Middle East", Pacific Community, July, 1976.
80. "Pakistan : Problems and prospects", middle east journal, Vol. IV. Oct. 1950.
81. "Pakistan, Kuwait Economic Relations", Vol. 18. no. 12. Mar. 25, 1978.
82. "Pakistan balance of payment", July, 1, 1978, no. 26. Pak. Eco.
83. "Pakistan balance of trade", Pak. Eco.
84. "Pakistan earning abroad", no. 44. Vol. 17, 1978. Pak. Eco.
85. "Pakistan and the Arab World", no. 25, 1978 Vol. XIX.
86. "Pakistan trade with the middle east", Vol. XXVI. Pak. Eco.
87. "Pakistan's man power resources", Vol. XXIX, Pak. Eco.
88. "Performance in retrospect", VOL. XXXVI, Pak. Eco.
89. "Pakistan's prospects in 1980". 1981, Jan. 17. 1981. no. 3. Pak. Eco.
90. "Pakistan's trade with the muslim world", apr. 12. 1980. no. 15. Pak. Eco.
91. "Powers for the desert energy. Aug. 16, 1980. no. 33/34, Pak. Eco.
92. "Pakistan industrialisation and trade policies", The Manchester school, May, 1954.
93. "Private foreign investment in Pakistan", Pakistan Developmental review, Spring, 1970.

94. "Pakistan a paradise for investors", Finance and Industry, Feb., 1969.
95. "Pakistan's big business men", Muslim Separation, entrepreneurship and political modernisation, economic development and culture change. Pak. Dev. Review, Oct. 1972.
96. "Prospects in the Persian Gulf". Midstream, 24 (1) 1980.
97. "Petroleum related foreign policy" ; An analytical and empirical analysis of Iranian and Saudi behaviour, 1940...1974, Journal of conflict resolution, 23 (3), Sept., 1979.
98. "Pakistan and the Middle East", Pacific Community, Tokyo. Vol. VII. July, 1976.
99. "Pakistan to train Saudi armed forces", Agreement signed after 2 days talk Dawn, Mar., 13, 1967.
100. "Pakistan as a factor in West Asian Politics, 1947..1970. Ph.D/SIS, Lal, A.G.
101. "Pakistan's relations with Iran", 1947..1974. Vijaylakshmi, M. Diss. J.N.U., S.I.S., 1975.
102. "Pakistan : Patterns of Foreign Aid"; South Asian Studies, 11(1 and 2) Jan..July, 1976.
103. "Politics of alliances : A case study of Pakistan", 1954..1966, Pakistan Horizon 32(1 and 2), 1979.
104. "Pakistan's aid flow drives up", Far Eastern Economic Review, 98(48), Nov. 18, 1977.
105. "Resources gap out look" Jan. 10, 1981 no. 2. Pak. Eco.
106. "Sunset of the British empire in Arabia", The Time, 1966.
107. "Saudi Arabia the financial super power", Oct. 11, 1977, Indian Express.
108. "Saudi, Oil is mightier than sword in the modern Arab world," The Times, Feb., 14, 1977.
109. "Stability in the Persian Gulf", U.S. Naval Institute proceedings, Vol. 99, July, 1973.

110. "Saudi..Pakistan Cultural Relations"; Pak. to set up Saudi Varsity at Jeddah Morning News, Mar. 1976.
111. "The Islamic International Economic Conference, Oct.1..7, 1977, no. 40, Pak. Eco.
112. "The Economic Policy for Pakistan", Oct. 15, 1977, no. 42, Pakistan Economist.
113. "Trade build with Gulf", March 31, 1979, no. 13. Pakistan Economist.
114. "The Gulf relationship", Sept. 16, 1980, no. 36.
115. "The better co-ordination and co-operation, Sept. 27, 1980, no. 37, Pakistan Economist.
116. "The real threat to Gulf", Dec. 13, 1980. no. 50. Pakistan Economist.
117. "The passing of traditional societies", Modernising the Middle East, 1958.
118. "The Arabianpeninsula", Iran, and the Gulf States : New wealth, new powers, The middle East Institute; Summery record of the 27th Annual Conference of the Institute, Washington, D.C. 1973.
119. "The Persian Gulf after the British Raj"; Foreign affairs, New York, Vol. 49, July, 1971.
120. "The aid programme of the O.A.P.E.C. countries, Foreign affairs, Vol. 54. Jan. 1976.
121. "The meaning of the excess supply of labour", Scottish Journal of Political and Economy, Vol. VIII, no.1, Feb. 1979.
122. "The diplomacy of economic development"; Harvard University, 1969.
123. "The demand for money in Pakistan": Reply, the Pakistan Developmental Review, Vo. XIV no. 3, 1975.
124. "Tahir, Kheli Shirin", External dimentions of regionalism in Pakistan, contemporary Asia Review, 1(1) : 1977.
125. "Tahir, Kheli Shirin, Iran and Pakistan" : Co-operation in an area of conflict Asian Survey, 17 (5) May, 1977.