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Pathology of the Structural and Institutional Barriers to Converting Cultural Diplomacy Capacities into Sustainable Economic Presence: A Qualitative Study of Iran–Pakistan Relations

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The existence of historical, civilizational, linguistic, and religious commonalities between countries does not necessarily lead to the formation of extensive and sustainable economic relations. Transforming cultural capacities into economic outcomes, in addition to the existence of social and communicative foundations, depends on institutional, infrastructural, financial, and security conditions. In Iran–Pakistan relations, despite the two countries' numerous grounds for cultural convergence, the level of Iran's economic presence is not fully commensurate with the potential capacities of this relationship. The main problem addressed in the present study is the identification and explanation of the barriers that constrain the process of transforming cultural diplomacy capacities into sustainable economic cooperation and presence. In terms of purpose, this research is applied, and in terms of methodology, it is qualitative and based on the reanalysis of interview data. The data were obtained from 16 semi-structured interviews with three groups of experts, including diplomats and cultural practitioners, businesspeople and economic actors, and university professors and academic researchers. The data were analyzed using open, axial, and selective coding, together with the construction of a thematic network. At the open-coding stage, 187 initial codes were extracted, and after eliminating overlaps and integrating similar concepts, 62 final codes were identified. The reanalysis of the data indicates that the barriers to transforming cultural capacity into economic presence can be explained at three interconnected levels: structural barriers, including banking and financial constraints, border insecurity, and weaknesses in transportation and logistics infrastructure; institutional barriers, including a lack of coordination among responsible organizations, regulatory instability, the absence of a long-term strategy, and disconnection between cultural and economic institutions; and cognitive and communicative barriers, including inadequate market knowledge, an unfavorable commercial image, a shortage of active elite networks, and limited use of digital capacities. The central finding of the study indicates that interpersonal trust among Iranian and Pakistani actors is more favorable than institutional trust, and that cultural diplomacy can reduce informational and communication costs; however, it cannot independently eliminate banking, security, and infrastructural costs. Accordingly, cultural diplomacy constitutes a necessary and facilitating condition for the development of economic relations, but its effectiveness depends on the removal of structural barriers and the establishment of institutional coordination.

Keywords: *cultural diplomacy, structural barriers, institutional barriers, institutional trust, transaction costs, Iran–Pakistan economic relations, qualitative analysis*

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1. Introduction

In the analysis of international economic relations, geographical advantages, production capacities, natural resources, and market size are among the factors commonly considered in explaining the level of exchanges between countries. However, these factors alone cannot explain differences in countries' success in establishing sustainable trade relations. Economic exchanges take shape within a social and institutional environment in which mutual understanding, trust, cultural perceptions, the quality of communication, and the predictability of the counterpart's behavior affect economic decisions. Guiso, Sapienza, and Zingales have shown that bilateral trust and cultural perceptions can influence the level of trade and investment between countries, particularly in transactions that require higher levels of trust, where the role of these factors becomes more pronounced (Guiso et al., 2009). In a more recent study, Ghaith and Wagner, by examining bilateral trade data from 117 countries, also demonstrated that the cultural context is important in explaining differences in trade flows, although the effect of linguistic proximity on total trade was not statistically significant in their study (Ghaith & Wagner, 2025).

Within such a context, cultural diplomacy cannot be limited merely to organizing artistic programs, national occasions, exchanges of delegations, or introducing a country's civilizational heritage. The significance of this form of diplomacy lies in creating connections between societies, enhancing mutual understanding, shaping mental perceptions, and providing a basis for interaction among social and economic groups. Ang, Isar, and Mar emphasize the need to move beyond exclusively state-centered understandings of cultural diplomacy and to consider the diverse network of cultural actors (Ang et al., 2015). Grincheva also shows, through an examination of the evolution of the scholarly literature on cultural diplomacy, that this field has gradually moved away from a focus on the one-way presentation of national culture toward the study of structures, actors, channels of communication, and the multilevel consequences of cultural interactions (Grincheva, 2024).

Nevertheless, the development of cultural understanding and trust does not necessarily result in the formation of economic relations. Two countries may possess extensive historical and social commonalities, yet financial constraints, difficulties in transferring money, border insecurity, weak transportation infrastructure, regulatory instability, and lack of coordination among responsible institutions may reduce the possibility of economically exploiting these capacities. From the perspective of institutional economics, formal and informal rules, the quality of contract enforcement, and the predictability of actors' behavior play a fundamental role in determining the cost and feasibility of economic exchange (North, 1990; Williamson, 1985). Therefore, the central issue is not merely the presence or absence of cultural proximity, but rather identifying the conditions that enable or constrain the transformation of such proximity into formal and sustainable economic cooperation.

Iran–Pakistan relations constitute a notable case for examining this issue. The two countries share historical, civilizational, religious, and literary commonalities, and their geographical adjacency also provides numerous opportunities for expanding economic exchanges. Nevertheless, the existing capacities have not always resulted in a proportionate level of sustainable economic presence. Part of the economic activity along the borders of the two countries is informal in nature, while Iran's commercial presence in certain areas faces limitations such as low brand persistence, weak agency networks, insufficient joint investment, and a limited number of technical and engineering service projects. Under these circumstances, the issue is not merely a lack of cultural communication; rather, there is a gap between existing cultural capacities and the operational mechanisms required to transform them into economic advantage.

From a theoretical perspective, cultural and social capital can generate economic consequences when they are converted into active networks and resources accessible to actors. Bourdieu analyzes social capital in relation to relatively durable networks of relationships and the resources individuals obtain through membership in such networks (Bourdieu, 1986). Coleman also emphasizes the role of reciprocal obligations, expectations, norms, and information channels in facilitating cooperation (Coleman, 1988). However, the mere existence of social networks is insufficient for establishing formal economic relations, because the continuation of commercial interactions requires institutions capable of guaranteeing the enforcement of commitments, stability of rules, and access to resources.

Consequently, interpersonal trust between merchants or cultural groups in the two countries may be favorable, while weak institutional trust may prevent these relationships from developing into long-term contracts.

Empirical studies also support the importance of this distinction. Lien, Lo, and Bojanic, in examining the effects of cultural institutes on trade and foreign direct investment, have shown that the activities of cultural institutes can generate positive economic effects, although the magnitude of these effects varies according to the type of relationship and the conditions of host countries (Lien et al., 2019). Franco and Maggioni, in examining the relationship between international trade and cultural proximity, also emphasize the bidirectional interaction between culture and the economy (Franco & Maggioni, 2022). Accordingly, culture can provide a foundation for economic interactions, while the expansion of economic exchanges can, in turn, strengthen cultural ties.

More recent studies have proposed more precise mechanisms for explaining this relationship. Ghaith and Wagner have shown that cultural distance is important in explaining differences in bilateral trade flows (Ghaith & Wagner, 2025). Saavedra and Spilde, in a study on bilateral trade costs, found that trust and certain indicators of cultural proximity are associated with reduced transaction costs, although the robustness of this relationship depends on the type of indicator and the specifications of the estimated model (Saavedra & Spilde, 2026). These findings indicate that cultural factors can reduce some informational and communication barriers, but they cannot substitute for reforms in financial, security, and institutional structures.

It is from this point that the main problem of the present article emerges. If the cultural relations and social commonalities between Iran and Pakistan possess the capacity to create initial understanding and trust, why are these capacities not always transformed into sustainable economic presence? Answering this question requires focusing on the barriers that operate at different stages of transforming cultural interaction into economic cooperation. Unlike approaches that examine only the positive effects of cultural diplomacy, this article focuses on identifying and analyzing inhibiting factors—factors that, even in the presence of cultural commonalities and favorable social relations, can prevent economic actors from effectively entering the target market.

Accordingly, the objective of this article is to identify, classify, and explain the structural and institutional barriers to transforming the capacities of Iran's cultural diplomacy in Pakistan into sustainable economic presence. Focusing on this issue makes it possible to examine financial and banking constraints, security and border-related issues, institutional coordination failures, weaknesses in trade infrastructure, and cognitive and communication gaps within an integrated analytical framework.

2. Theoretical Foundations of the Study

2.1. Cultural Diplomacy as a Context for the Formation of Economic Relations

Cultural diplomacy encompasses a set of purposeful interactions formed through the exchange of values, ideas, knowledge, art, language, and cultural heritage between societies. This form of diplomacy is based on communication and mutual understanding and, unlike one-way propaganda, emphasizes interaction among diverse actors and the continuity of relationships. Cull analyzes public diplomacy as a set of communicative and interactive instruments capable of influencing the perceptions of foreign audiences (Cull, 2019). Within this framework, cultural diplomacy is regarded as one of the principal avenues for establishing long-term relationships between societies. From an economic perspective, cultural activities can facilitate commercial activity by reducing cognitive distance, increasing awareness of the characteristics of the target market, and creating communication networks. Familiarity with the language, norms, and consumption patterns of the target society may reduce information-search costs and increase the possibility of identifying economic partners. The findings of Lien et al. also indicate that cultural institutes can influence certain trade and investment flows by creating familiarity and opportunities for communication (Lien et al., 2019). However, this capacity is transformed into economic outcomes only when cultural activities are connected to actual market needs and commercial networks. Organizing cultural programs without linking them to market research, product promotion, interaction among merchants, and mechanisms of cooperation may remain limited to

increasing general awareness. Therefore, the economic effectiveness of cultural diplomacy depends on the extent to which it is connected to commercial and institutional structures.

2.2. Social Capital and the Distinction Between Interpersonal and Institutional Trust

Social capital enhances the possibility of cooperation among individuals and groups through communication networks, shared norms, and mutual trust. Coleman introduces social capital as a resource for action arising from the structure of social relations, reciprocal expectations, and information channels (Coleman, 1988). From this perspective, cultural and social relations between two societies can provide the basis for networks through which information is transferred more rapidly and trustworthy counterparts can be identified more easily. However, social trust and institutional trust are not identical concepts. Interpersonal trust refers to confidence among individuals and groups in direct interactions, whereas institutional trust concerns actors' confidence in regulatory stability, contract enforceability, the functioning of the banking system, and the support provided by formal structures. Granovetter, through the concept of the embeddedness of economic action in social relations, demonstrates that economic actions are situated within networks of social relationships; however, these networks operate within formal and informal structures (Granovetter, 1985). In Iran–Pakistan relations, this distinction is particularly important. An Iranian merchant may enjoy a favorable relationship with a Pakistani counterpart through personal or ethnic ties, but concerns about money transfers, regulatory changes, customs delays, or the inability to enforce contracts may discourage the expansion of cooperation. Thus, social trust can initiate interaction, while institutional trust constitutes an important condition for its continuity.

2.3. Institutional Economics and Transaction Costs

Transaction costs include the range of costs incurred by actors in searching for information, identifying partners, negotiating, drafting contracts, monitoring commitments, and managing risks. Williamson demonstrates that uncertainty, bounded rationality, and the possibility of opportunistic behavior can increase transaction costs and influence the choice of governance structures (Williamson, 1985). North also defines institutions as rules that organize human interactions and affect the feasibility of economic activity by reducing uncertainty (North, 1990). Within this framework, cultural diplomacy can reduce part of the informational and communication costs. For example, familiarity with the business culture of the target country, knowledge of its language and social norms, and direct communication with market actors may reduce the costs of identification and negotiation. However, banking, insurance, security, and infrastructural costs are of a different nature and cannot be eliminated solely through increased cultural interaction. The findings of Saavedra and Spilde also emphasize the relationship between cultural proximity, trust, and some components of trade costs; nevertheless, this relationship should not be interpreted as indicating that cultural factors can substitute for institutional and infrastructural reforms (Saavedra & Spilde, 2026).

2.4. Structural and Institutional Barriers in Cross-Border Economic Relations

Structural barriers refer to constraints that operate at the macro level within economic, security, and infrastructural conditions. Banking restrictions, difficulties in transferring financial resources, insecurity along trade routes, weak transportation infrastructure, and the absence of standard facilities at border terminals are among such barriers. These factors directly affect the cost, time, risk, and continuity of economic exchanges. By contrast, institutional barriers relate more closely to the quality of organizational coordination, stability of rules, the existence of common strategies, and communication among responsible institutions. Even in the presence of adequate financial and infrastructural capacities, a lack of coordination among cultural, economic, and diplomatic institutions can lead to fragmented programs and reduced effectiveness. Under such circumstances, cultural and economic activities proceed along separate paths, and opportunities to convert social relations into commercial cooperation are lost.

2.5. Cognitive and Communication Barriers

Cognitive barriers concern limitations arising from insufficient information about the target market,

consumer characteristics, production capacities, and perceptions of goods and services. These barriers may appear in the form of inaccurate perceptions regarding product quality, lack of brand awareness, weak marketing, or insufficient familiarity with commercial opportunities. At this level, cultural diplomacy can play a more direct role because it can reduce part of the cognitive distance through the introduction of production capacities, information exchange, specialized exhibitions, and networking. Faucher and Zhu, in their study of sustainable cultural diplomacy, emphasize the need to consider the diversity of actors and the connections among different levels of cultural activity (Faucher & Zhu, 2025). This approach indicates that the effectiveness of cultural diplomacy depends on continuity of communication and network-based participation rather than merely on the implementation of episodic programs.

2.6. Research Background

Saavedra and Spilde, in a study entitled "Cultural Proximity and Bilateral Trade Costs," examined the relationship between trust and indicators of cultural proximity and the costs of trade between countries. The results showed that certain cultural indicators and trust were associated with lower trade costs; however, the robustness of this relationship was not uniform across different model specifications. This study is important for explaining the role of cultural factors in reducing some components of transaction costs (Saavedra & Spilde, 2026). Faucher and Zhu, in the article "Towards a Sustainable Cultural Diplomacy," analyzed the challenges related to the continuity and sustainability of cross-border cultural activities by examining interviews, focus groups, and the activities of cultural institutions in Europe. Their findings showed that a gap between macro-level policymaking and local-level implementation can reduce the effectiveness of cultural programs. This finding underscores the importance of coordination among actors and across different levels of cultural activity (Faucher & Zhu, 2025). Ghaith and Wagner, in an empirical study, examined the effects of cultural factors and linguistic proximity on international trade using a gravity model and data from 117 countries. Their results showed that cultural distance was important in explaining bilateral trade flows, while linguistic proximity did not have a statistically significant effect on total trade in the model examined. This result indicates that cultural components do not exert identical effects on economic exchange (Ghaith & Wagner, 2025). Grincheva, in a study entitled "The Past and Future of Cultural Diplomacy," examined the development of the scholarly literature in this field by reviewing and analyzing publications indexed in Scopus. Her findings showed that studies of cultural diplomacy have gradually moved away from narrowly state-centered approaches toward the examination of actors, networks, channels of communication, and social and political outcomes. This study highlights the need to consider the network structure of cultural relations (Grincheva, 2024). Franco and Maggioni, using data from the World Values Survey and European Values Study, examined the relationship between international trade and convergence in cultural beliefs. Their results showed that trade can, under certain conditions, contribute to reducing cultural and attitudinal distance between societies. This study emphasizes the bidirectional relationship between culture and the economy (Franco & Maggioni, 2022). Lien, Lo, and Bojanic, using trade gravity models, examined the effects of the Goethe, Cervantes, and Confucius Institutes on bilateral trade and foreign direct investment. The results showed that the presence of these institutes was associated with increases in certain trade and investment flows, with stronger effects reported in developing economies. This study is among the important empirical investigations of the economic consequences of cultural institutions (Lien et al., 2019). Guiso, Sapienza, and Zingales, in the article "Cultural Biases in Economic Exchange," examined the relationship between bilateral trust and economic exchanges among European countries. Their findings showed that lower trust between citizens of two countries was associated with lower levels of trade, portfolio investment, and foreign direct investment. The significance of this study lies in explaining the role of cultural trust in economic exchange (Guiso et al., 2009). In the field of Iran–Pakistan relations, studies have also examined the historical, cultural, and strategic foundations of bilateral relations. Karim, focusing on security and strategic developments, demonstrates that Iran–Pakistan relations, in addition to their historical and geographical capacities, are influenced by security and regional variables. This highlights the need to

consider barriers that operate beyond cultural commonalities (Karim, 2023).

A review of previous studies shows that a significant portion of the literature has focused on the positive relationship between culture, trust, and trade. These studies have examined the role of cultural institutions, cultural proximity, and trust in facilitating economic exchanges; however, the issue of transforming cultural capacities into sustainable economic presence under conditions characterized by banking, security, institutional, and infrastructural barriers still requires context-sensitive investigation. By focusing on the experiences of experts in Iran–Pakistan relations, the present article addresses this gap through an analysis of barriers and inhibiting mechanisms.

3. Research Methodology

The present study is applied in terms of purpose and qualitative in terms of method. This article is based on a reanalysis of previously collected qualitative data, with the analytical focus shifting from explaining the general model of the effect of cultural diplomacy on economic presence toward identifying and analyzing structural and institutional barriers. For this reason, quantitative data and the results of structural equation modeling were not included in the present analysis, and the principal unit of analysis consisted of the content of experts' semi-structured interviews. The qualitative approach was selected because of the multidimensional nature of the research problem; the barriers to converting cultural capacity into economic presence cannot be explained solely through the measurement of quantitative variables, and understanding actors' experiences, their perceptions of barriers, and the relationships among different factors is important. In this type of research, interview data make it possible to identify contextual dimensions and less visible mechanisms underlying the phenomenon (Creswell & Plano Clark, 2018).

The qualitative study population consisted of experts and individuals who, through professional experience, executive responsibility, economic activity, or research background, were familiar with Iran–Pakistan relations. Participants were classified into three main groups: first, diplomats, cultural attachés, and officials with experience in the field of Iran–Pakistan cultural relations; second, merchants, members of the joint chamber of commerce, and economic actors with experience in commercial exchanges with Pakistan; and third, university professors and researchers in the fields of international political economy, regional studies, and cultural diplomacy. A total of 16 semi-structured interviews were conducted with experts. Of these, six participants belonged to the diplomatic and cultural group, six to the economic and border-related group, and four to the academic group. The average duration of the interviews was reported as 62 minutes. This three-part composition of participants enabled examination of the issue from the perspectives of policymaking, executive experience, and theoretical analysis. Sampling was purposive and employed the snowball method, with participants selected on the basis of relevant background, executive or commercial experience, and research expertise. Data collection continued until theoretical saturation was reached.

The main data collection instrument was the in-depth semi-structured interview. The interview guide included 12 main questions addressing issues such as the evaluation of Iran's culture-oriented, knowledge-oriented, and ritual-oriented activities in Pakistan; the status of academic exchanges; the role of religious and cultural communication; the status of Iran's economic presence; trust among economic actors; transaction costs; perceptions of Iran; and barriers to expanding commercial cooperation. In the present reanalysis, sections of the interviews directly related to structural and institutional barriers were prioritized. These sections included participants' statements regarding banking restrictions and sanctions, border insecurity, weaknesses in logistics infrastructure, regulatory instability, lack of coordination among responsible agencies, inadequate market knowledge, the absence of active commercial networks, and the gap between cultural and economic institutions.

Data analysis had been conducted in four consecutive stages: open coding, axial coding, selective coding, and construction of a thematic network. In the first stage, the complete texts of the 16 interviews were divided into meaning units, and a descriptive code corresponding to the content of each unit was assigned. At this stage, 187 initial codes were extracted. After removing overlapping codes and merging similar concepts, 62 final open codes were obtained. The criterion for retaining codes was their recurrence in at least two interviews or their

possession of notable theoretical significance. In the second stage, open codes were grouped into subcategories and main categories based on semantic similarity and theoretical proximity. At this stage, concepts related to banking constraints, border insecurity, and logistical weaknesses were categorized under structural barriers; concepts related to organizational lack of coordination, regulatory instability, and absence of strategy were categorized under institutional barriers; and concepts related to weak market knowledge and commercial image were categorized under cognitive barriers. In the third stage, the axial categories were organized around a core theme. The extracted core theme was: "Cultural diplomacy as a soft driver of economic presence, conditional upon the removal of structural barriers and institutional coordination." This theme indicates that cultural activities can provide the initial conditions for economic interaction, but the realization of their economic effects depends on the existence of appropriate structural and institutional conditions. In the fourth stage, the thematic network and the relationships among the themes were mapped in order to clarify the pathway through which cultural capacities exert influence and the role of barriers in constraining this pathway. In the present article, while retaining the extracted codes and categories, the reanalysis focuses on structural, institutional, and cognitive barriers.

The credibility of the qualitative findings was examined with regard to participant diversity, the traceability of codes to the interview texts, and the coherence between open codes and axial categories. The participation of three groups—diplomatic and cultural, economic, and academic—made it possible to compare the perspectives of policymakers, field actors, and researchers. This diversity assists in identifying the gap between the policymaking and implementation levels. In the present analysis, to avoid interpretations that go beyond the data, interviewees' quotations have been retained using anonymous participant codes, and code frequencies remain the same as those recorded in the coding table. In addition, theoretical interpretations of the findings have been distinguished from the empirical evidence derived from the interviews. Credibility, transferability, dependability, and confirmability are also considered among the principal criteria for evaluating the quality of qualitative research (Lincoln & Guba, 1985).

4. Research Findings

The qualitative data were obtained from interviews with 16 experts in the fields of cultural diplomacy, trade and economics, and academic studies. The diversity of participants' expertise made it possible to examine barriers from different perspectives. Diplomats and cultural actors placed greater emphasis on the status of cultural programs, communication constraints, and weak coordination among institutions, whereas merchants and economic actors highlighted banking issues, border security, transportation problems, market knowledge, and barriers to contract enforcement. University professors and researchers, from a more analytical perspective, focused on the gap between cultural capacity and economic and institutional structures. This diversity of perspectives is analytically important because a single barrier may appear at the policymaking level as a coordination problem, at the implementation level as a delay in completing an exchange, and at the individual-experience level as a decline in commercial trust. Accordingly, the data analysis was not based merely on counting recurring concepts, but also considered the relationships among different experiences and the position of each barrier in the process of forming economic relations.

At the open-coding stage, 187 initial codes were extracted from the interview texts. After reviewing overlapping concepts and merging similar codes, 62 final open codes were obtained. These codes covered a range of topics related to cultural activities, the status of economic presence, trust, transaction costs, perceptions, social networks, soft power, structural and institutional barriers, and proposed solutions. For the present article, codes related to barriers to transforming cultural capacity into economic presence were placed at the center of attention. Examination of the frequencies recorded in the coding table shows that "sanctions and banking restrictions," with a frequency of 14; "occasion-based and calendar-based nature of cultural activities," with a frequency of 14; "weak institutional trust," with a frequency of 13; "institutional lack of coordination," with a frequency of 13; and "negative political and security image," with a frequency of 13, were among the most frequently occurring codes. In addition, "absence of a national cultural diplomacy strategy," with a frequency of 12; "fear of sanctions and financial resources

becoming blocked," with a frequency of 11; and "border insecurity in Balochistan," with a frequency of 11, were among the important codes. These frequencies are reported on the basis of the open-coding table and represent the recorded recurrence of the codes during the analytical process rather than a statistical estimate of the entire population of economic actors.

Table 1

Examples of Open Codes Related to Structural and Institutional Barriers

No.	Extracted Open Code	Recorded Frequency
1	Sanctions and banking restrictions	14
2	Weak institutional trust	13
3	Institutional lack of coordination	13
4	Negative political and security image	13
5	Absence of a national cultural diplomacy strategy	12
6	Fear of sanctions and financial resources becoming blocked	11
7	Border insecurity in Balochistan	11
8	Information costs and lack of market knowledge	9
9	Weak digital diplomacy	9
10	Regional competition	9
11	Weak local knowledge of Pakistan	8
12	Weak logistics infrastructure	6
13	Lack of insurance and transportation infrastructure	5
14	Fragmented institutional networks	10
15	Unimplemented academic memoranda of understanding	10

The results of this stage show that economic and institutional barriers exist alongside weaknesses in certain dimensions of cultural diplomacy. In particular, the simultaneous recurrence of codes related to banking sanctions, institutional trust, organizational lack of coordination, and negative image indicates that the issue of developing economic relations cannot be attributed solely to weak cultural activities or a lack of mutual understanding. On the one hand, cultural and social capacities exist; on the other hand, a set of barriers at the level of formal structures and exchange infrastructure limits the ability to exploit these capacities. At the axial-coding stage, open codes were classified into subcategories and main categories based on conceptual similarity and their relationship to the research problem. According to the coding structure, the barriers can be distinguished across three domains: structural, institutional, and cognitive. Although analytically distinct, these three domains are interconnected in practice and can intensify one another's effects.

Table 2

Axial Classification of Barriers to Transforming Cultural Capacity into Economic Presence

Main Category	Subcategories	Related Codes
Structural barriers	Financial and banking constraints, border insecurity, weaknesses in transportation and logistics	Sanctions and banking restrictions; border insecurity in Balochistan; banking costs; security costs; transport insurance; weaknesses in border terminals
Institutional barriers	Organizational lack of coordination, regulatory instability, absence of a coherent strategy, fragmentation of formal networks	Institutional lack of coordination; weak institutional trust; absence of a national strategy; unimplemented memoranda of understanding; fragmented networks
Cognitive and communication barriers	Weak market knowledge, unfavorable commercial image, weak promotion of goods and services, limited digital communication	Lack of local knowledge of Pakistan; stereotype of Iranian goods as cheap and low-quality; weak digital diplomacy; absence of well-known brands

Structural barriers concern constraints that operate at the level of macroeconomic conditions and directly affect the feasibility of transactions, trade costs, and continuity of cooperation. In the research data, sanctions and banking restrictions, border insecurity, and weaknesses in transportation and logistics infrastructure were among the most important manifestations of this category. These barriers are significant because even in the presence of mutual understanding, interpersonal trust, and willingness to cooperate, they can make the implementation of commercial agreements difficult or costly. Banking and financial restrictions occupy a prominent position among the structural barriers. Interviewees referred to difficulties in transferring

money, reliance on financial intermediaries, increased transaction costs, and concerns among Pakistani merchants regarding the possibility of financial resources becoming blocked. One participant explained that the cost of transferring money through alternative channels could increase by five to ten percent, making even small-scale transactions costly. In this context, another interviewee explicitly stated that cultural diplomacy can strengthen understanding and communication, but it cannot independently resolve banking problems. This statement clearly demonstrates the boundary between the capabilities of cultural diplomacy and the structural limitations of the economy. Analytically, the banking problem is not merely a technical obstacle to transferring money; it also affects the level of institutional trust. When an economic actor lacks confidence in the ability to receive payment, settle a contract, or transfer capital, even the existence of a known business partner and favorable interpersonal relations cannot fully reduce the risk of cooperation. Therefore, financial constraints transmit their effects to other stages of economic cooperation by increasing transaction costs and weakening institutional trust.

Border insecurity is the second major barrier in this domain. Interview data indicate that insecurity in border regions, particularly along the Balochistan axis, is regarded by economic actors as one of the factors increasing the cost and risk of trade. Combined with transportation insurance costs and difficulties in movement, this issue reduces the likelihood of establishing continuous trade relations. One merchant active in the Mirjaveh–Taftan border market, referring to ethnic and kinship ties on both sides of the border, emphasized that these ties constitute an important asset for cooperation; however, weak customs and security coordination and inadequate border infrastructure prevent their effective utilization. Thus, the existence of cultural and ethnic ties in border regions, without appropriate security and operational conditions, cannot by itself expand formal trade. Weak logistics infrastructure is another structural barrier. Participants referred to shortages of warehouses, cold-storage facilities, standard terminals, and appropriate transportation facilities. These constraints are particularly important for food products, agricultural goods, and commodities requiring special storage conditions. Logistical weakness not only increases the direct cost of transporting goods but also reduces exporters' competitiveness. Consequently, even if cultural interaction and market knowledge help create demand, the absence of appropriate infrastructure may prevent a sustainable response to that demand. Overall, the findings of this section indicate that structural barriers arise precisely at the point where communicative and cultural capacities must be converted into actual exchange. These barriers can increase the distance between initial agreement and contract implementation, causing economic relations to remain limited, informal, or short-term.

Institutional barriers concern weak coordination mechanisms, regulatory instability, the absence of long-term strategy, and the lack of effective linkages between cultural and economic organizations. The findings indicate that this category of barriers constitutes one of the most important factors creating a disconnect between cultural capacity and economic activity in Iran–Pakistan relations. One of the principal manifestations of this issue is the lack of coordination among responsible institutions. In the interview data, participants referred to the independent and sometimes fragmented activities of institutions involved in foreign relations, cultural affairs, and trade. Under such circumstances, each institution pursues part of its own mission, but there is no clear mechanism for connecting cultural programs to commercial and economic objectives. One participant described the situation by stating that different institutions each follow a separate path and that insufficient coordination exists among their programs. At the implementation level, this causes cultural capacities, rather than becoming part of a network of economic relations, to remain in the form of separate and episodic activities. Regulatory instability is also one of the factors weakening institutional trust. Changes in tariffs, fluctuating directives, and a lack of predictability in implementation rules make long-term planning difficult for economic actors. Under such conditions, merchants cannot make decisions with confidence regarding final costs, transaction timing, and conditions of contract execution. From the perspective of institutional economics, stability of rules and predictability of institutional behavior are important factors in reducing uncertainty in economic exchange (North, 1990). The present findings show that the absence of these conditions can hinder the development

of formal cooperation even in relationships characterized by interpersonal trust.

The absence of a coherent and long-term strategy is another institutional barrier. Participants referred to the lack of a sustainable program for developing cultural and economic diplomacy in Pakistan. Under such circumstances, activities may change with shifts in managers, executive priorities, or short-term conditions and may lack the continuity required to establish durable networks. One participant emphasized that cultural activities are predominantly occasion-based and lack a clear long-term program. This observation is consistent with the frequently occurring code "occasion-based and calendar-based nature of cultural activities."

The disconnection between cultural and economic institutions can also be explained within the same framework. Interview data indicated that the joint chamber of commerce, cultural centers, academic networks, and friendship associations operate independently and that no organized linkage exists among them. This situation causes cultural capacities to remain at the level of general communication rather than being transformed into instruments of market research, product promotion, identification of commercial partners, and support for economic contracts. From this perspective, the main problem is not simply a shortage of institutions but rather weak communication and coordination among existing institutions. Increasing the number of programs or organizations without creating a common mechanism for planning, implementation, and evaluation cannot necessarily improve performance. What stands out in the research data is the need to create an operational linkage between cultural policy and economic policy.

Cognitive and communication barriers refer to deficiencies in information, inadequate knowledge of the Pakistani market, an unfavorable commercial image of Iranian products, and limited communication networks. Compared with banking and security barriers, these obstacles fall more directly within the domain in which cultural diplomacy and public communication can play a role in reducing them. One issue raised in the interviews was inadequate knowledge of the Pakistani market. Some participants stated that Iranian actors do not have sufficient information about consumer preferences, market needs, expected standards, and the capacities of different sectors of Pakistan's economy. Conversely, some Pakistani merchants also lack accurate knowledge of the diversity of Iran's products and its technical and industrial capabilities. This issue causes commercial opportunities to remain unidentified or prevents initial connections from forming between suppliers and buyers. An unfavorable commercial image of Iranian goods also falls within this category. One participant referred to a perception among some Pakistani merchants that Iranian goods are inexpensive but lack desirable quality. In the interview, this perception was described as an inaccurate stereotype that should be corrected through specialized product promotion, trade exhibitions, and the provision of reliable information. Analytically, an unfavorable commercial image can increase marketing costs and make it more difficult for Iranian products to enter the Pakistani market.

Weak branding and the absence of agency networks further intensify this problem. Some participants stated that Iranian exporters introduce goods into the Pakistani market but fail to maintain continuous and organized contact with the target market after the sale. The absence of representative offices, after-sales services, and stable distribution networks causes commercial presence to remain limited to episodic sales. As a result, cultural capacity for product promotion and positive image formation does not lead to sustained economic presence in the absence of branding strategies and commercial support. Weak digital diplomacy is another cognitive and communication barrier. Interviews indicated that Pakistan's younger generation obtains much of its information and perceptions through media and social networks, yet targeted activity aimed at presenting Iran's cultural and economic capacities in these spaces remains limited. This may perpetuate incomplete or one-sided images of Iran. Therefore, digital diplomacy in this article is not regarded merely as a promotional tool but as a mechanism for reducing information asymmetry and connecting cultural audiences with the country's economic capacities.

At the selective-coding stage, the axial categories were organized around a central theme. The extracted core theme was: "Cultural diplomacy as a soft driver of economic presence, conditional upon the removal of structural barriers and institutional coordination." This theme explains the relationship between cultural capacities and economic conditions in conditional terms. According to this theme, cultural diplomacy can create

the initial conditions for economic presence by increasing understanding, improving perceptions, strengthening social communication, and facilitating networking; however, this capacity leads to sustainable outcomes only when structural and institutional barriers are also managed. To clarify the core theme, the research findings can be represented in the form of eight interrelated main themes:

Table 3

Main Themes and Analytical Dimensions of the Study

Main Theme	Related Dimensions and Evidence	Analytical Implication
Three-dimensional cultural diplomacy	Culture-oriented, ritual-oriented, knowledge-oriented	Cultural capacity exists, but its dimensions are not balanced in terms of the level of activity.
Fragile economic presence	Informal trade, weak brands, low persistence, limited technical services	Cultural interaction has not been transformed into sustainable economic presence.
Dual trust	Relatively favorable interpersonal trust, weak institutional trust	Social relations do not substitute for formal and reliable mechanisms.
Incomplete reduction of transaction costs	Possible reduction in information costs, persistence of banking and security costs	Cultural diplomacy reduces only part of transaction costs.
Dual image	Positive cultural image, negative political and security image, commercial stereotypes	Cultural attractiveness does not necessarily lead to a positive commercial image.
Rich but inactive social capital	Ethnic, religious, academic, and elite networks	Network capacity exists but has not been activated in an organized manner.
Soft power and unequal competition	Civilizational and linguistic advantages, limited resources and commercial tools compared with competitors	Cultural advantage remains limited without economic and media support.
Structural and institutional barriers	Sanctions, insecurity, lack of coordination, weak infrastructure, absence of strategy	Macro-level barriers constrain the effects of cultural capacities.

The findings show that Iran's economic presence in Pakistan is characterized by a degree of fragility. This fragility is reflected in limited formal trade, a high share of informal exchanges in certain border areas, low persistence of Iranian brands, limited joint investment, and a small number of technical and engineering service projects. Therefore, economic presence cannot be assessed solely on the basis of a few transactions or episodic sales; continuity of relationships, the establishment of representative networks, the formation of long-term contracts, and increased reliability of economic cooperation are also important. The reanalysis of the thematic network shows that the identified barriers do not operate independently. Banking restrictions can weaken institutional trust; weak institutional trust can reduce the likelihood of concluding long-term contracts; and fewer long-term contracts can, in turn, prevent the formation of durable commercial networks. Similarly, weak market knowledge and an unfavorable commercial image can increase information and marketing costs and, together with weak infrastructure, reduce the competitiveness of Iranian goods.

Table 4

Relationships Among Themes and Inhibiting Mechanisms

Source Theme	Analytical Relationship	Target Theme	Consequence
Banking restrictions	Weakening	Institutional trust	Reduced confidence in settlement and contract execution
Border insecurity	Increasing	Transaction costs	Increased transportation risk and reduced continuity of trade
Institutional lack of coordination	Weakening	Commercial networking	Fragmentation of cultural and economic activities
Regulatory instability	Weakening	Institutional trust	Reduced willingness to engage in long-term cooperation
Weak market knowledge	Increasing	Information costs	Difficulty identifying needs and commercial partners
Unfavorable commercial image	Weakening	Acceptance of Iranian goods	Increased marketing costs and reduced brand persistence
Occasion-based cultural activity	Limiting	Active social capital	Absence of continuous and organized communication
Weak digital diplomacy	Limiting	Public and commercial understanding	Persistence of information gaps and incomplete perceptions

One of the most important relationships among the themes is the connection between structural constraints and weak institutional trust. Interviewees repeatedly indicated that trust between individuals and merchants in the two countries exists in certain cases, but that this level of trust is not observed to the same extent at the level of institutions and formal mechanisms. This situation indicates that interpersonal trust cannot cover all risks arising from banking, security, and regulatory structures. In practice, an economic actor may personally trust a business partner but lack sufficient confidence in the ability to transfer money, enforce commitments, or rely on regulatory stability. Therefore, institutional trust can be explained in this study as a link between social communication and the continuity of economic exchanges. Weakness in this link causes cultural and personal relationships to remain at the level of informal interaction.

The second important relationship is the connection between institutional lack of coordination and the inactivity of social and economic networks. In the interview data, academic, cultural, religious, and commercial networks were identified as existing capacities; however, participants believed that these networks had not been connected to one another in a coherent and purposeful manner. For example, interaction between cultural centers and the joint chamber of commerce was reported to be limited, while the capacities of Pakistani elites educated in Iran had not been sufficiently utilized. This situation indicates that the problem is not merely the absence of networks, but rather the lack of an institutional mechanism for connecting existing networks. Social networks can be converted into economic capital when information flow, the introduction of commercial partners, exchange of experience, and organized cooperation are established within them. Otherwise, social capacities remain fragmented and their economic effects are limited.

The third relationship concerns the link between weak market knowledge and fragile economic presence. Interview data show that some Iranian actors lack sufficient understanding of the needs of the Pakistani market, while some Pakistani actors also lack comprehensive awareness of Iran's productive and technical capacities. This information gap complicates the process of identifying opportunities and establishing commercial relationships. Under such circumstances, cultural activities can play an economic role when they are connected to market research and product promotion. Organizing specialized exhibitions, producing content introducing goods and services, exchanging academic information about the market, and establishing communication among merchants can reduce part of this gap. However, if these measures are not accompanied by distribution networks, after-sales services, and regulatory stability, their effect on sustaining economic presence will remain limited.

One notable finding of the study is the existence of a dual image of Iran among Pakistani audiences and economic actors. According to participants' statements, Iran's cultural image is positive in certain respects and is associated with poetry, literature, civilization, and historical commonalities, whereas the country's political and security image may be negative or accompanied by concern. In addition, the image of some Iranian goods is associated with stereotypes such as low prices and uncertain quality. This duality can influence economic decisions because a country's cultural attractiveness does not necessarily translate into trust in its commercial capabilities, product quality, or the stability of economic cooperation. Therefore, improving the cultural image must be accompanied by introducing technical capabilities, product quality, standards, services, and the ability to fulfill contractual commitments. In other words, a positive cultural image becomes an economic advantage when it is linked to a reliable commercial image.

5. Discussion and Interpretation of the Findings

5.1. The Gap Between Cultural Capacity and the Possibility of Economic Realization

The central finding of the study indicates that the existence of cultural and social capacities between Iran and Pakistan is not, by itself, sufficient to create sustainable economic presence. These capacities can increase mutual understanding, facilitate initial communication, and provide a foundation for interpersonal trust; however, transforming them into continuous trade relations depends on the existence of a set of structural and institutional conditions. This result is consistent with the view of Guiso et al. regarding the role of cultural trust in economic exchanges, while at the same time demonstrating that cultural trust cannot

independently guarantee economic cooperation in an environment characterized by banking, security, and institutional constraints (Guiso et al., 2009).

From this perspective, cultural diplomacy should be regarded as part of the process of developing economic relations rather than as a substitute for financial, commercial, and security policies. Cultural activities can facilitate the processes of identification and communication, but for such communication to develop into contracts, investment, continuous exports, and sustainable market presence, operational and institutional barriers must also be reduced. The findings of Lien et al. concerning the economic effects of cultural institutes also show that cultural capacity can be associated with economic outcomes, but that the realization of these outcomes depends on existing conditions and structures (Lien et al., 2019).

5.2. The Limited Capacity of Cultural Diplomacy to Reduce Transaction Costs

One important result of the study is the distinction between informational and communication costs, on the one hand, and banking and security costs, on the other. Interview data show that cultural diplomacy can reduce some information and negotiation costs through market research, information exchange, product promotion, and the creation of connections among merchants. However, this instrument cannot directly resolve problems related to money transfers, insurance costs, border insecurity, or weak transportation infrastructure.

This distinction is theoretically important because, in some analyses, transaction-cost reduction is considered a general and integrated outcome, whereas the present findings show that different types of costs are affected by different mechanisms. Information costs can be reduced through cultural and commercial communication, but banking and security costs require reforms in financial, regulatory, and security mechanisms. This result is consistent with Williamson's analysis of the role of uncertainty and governance structures in transaction costs and with North's explanation of the role of institutions in reducing uncertainty (North, 1990; Williamson, 1985).

5.3. Interpersonal Trust Without Institutional Trust: The Limitations of Social Networks

Another finding of the study concerns the difference between interpersonal trust and institutional trust. In the interview data, personal, ethnic, cultural, and religious relationships among certain actors in the two countries were identified as positive capacities; however, these capacities encounter limitations at the level of banking systems, trade rules, customs procedures, and contract enforcement. This situation indicates that social networks can initiate cooperation but require supporting institutions for its continuation.

From a theoretical perspective, this result is related to Coleman's view of the role of social networks in facilitating collective action and Bourdieu's analysis of resources accessible through social networks (Bourdieu, 1986; Coleman, 1988). However, the findings of this study emphasize the need to distinguish between possessing social capital and having the ability to convert it into economic resources. A network that lacks formal mechanisms for information transfer, dispute resolution, enforcement of commitments, and support for exchange may remain confined to informal relationships.

5.4. Institutional Lack of Coordination and the Continuation of Fragmented Activities

The findings indicate that institutional lack of coordination is one of the important barriers to connecting cultural activities with economic objectives. When cultural, economic, academic, and diplomatic institutions operate without a common program, the possibility of forming a coherent chain from cultural understanding to commercial cooperation is reduced. For example, cultural activity may increase general awareness, but if it is not connected to product promotion, interaction with merchants, market research, or the establishment of representative networks, its economic consequences will remain limited.

This finding is consistent with Grincheva's discussion of the evolution of cultural diplomacy toward multi-actor and networked structures (Grincheva, 2024). Faucher and Zhu likewise emphasize the importance of relationships among different levels of agency and coordination across cultural activities (Faucher & Zhu, 2025). Therefore, the development of cultural diplomacy

in Iran–Pakistan relations requires moving beyond fragmented activities toward joint, coordinated, and evaluable planning.

5.5. Positive Cultural Image and Uncertain Commercial Image

The existence of a positive cultural image of Iran alongside negative or uncertain perceptions regarding the country's political and security situation and the quality of certain goods is another important finding of the study. This situation demonstrates that a country's image consists of different dimensions and that civilizational and cultural attractiveness cannot be equated with economic trust. In commercial decision-making, in addition to general perceptions of a country, product quality, supply stability, the possibility of financial settlement, after-sales services, and contract enforceability are also important.

Accordingly, policies aimed at introducing cultural capacities should be linked to the presentation of economic and technical capabilities. Introducing Iranian products through cultural narratives, organizing specialized exhibitions, connecting producers with consumers, and using digital networks can contribute to improving the commercial image. However, in the absence of institutional stability and commercial infrastructure, the effects of these measures will remain limited.

5.6. Regional Competition and the Need to Transform Civilizational Advantage into Economic Advantage

In the interview data, competition with other countries such as China, Türkiye, and Saudi Arabia was also identified as one of the contextual factors affecting Iran's economic presence. Participants referred to differences in competitive instruments compared with these countries; for example, China's infrastructural and financing capabilities, Türkiye's strong presence of goods and popular culture, and Saudi Arabia's financial resources and cultural activities in certain areas were noted. By contrast, Iran's advantage was described primarily in terms of civilizational, linguistic, literary, and certain historical and social ties.

This finding indicates that cultural advantage becomes a competitive economic advantage only when it is connected to products, services, brands, and commercial networks. Possessing a civilizational heritage or cultural commonalities, without converting them into capacities that can be offered in the market, cannot sustainably increase a country's economic share. Therefore, the appropriate strategy is not to regard cultural advantage as a substitute for economic competition, but rather to use it as one of the supporting resources for commercial competition.

Based on the reanalysis of the findings, the process of transforming cultural capacity into economic presence can be explained through a three-level model. This model is based on three complementary levels: the cultural and communication level, the institutional and network level, and the structural and economic level. The logic of the model is that cultural capacities must first be transformed into effective understanding and communication; these communications must then be organized through formal and informal institutions and networks; and finally, within a context of financial, security, and infrastructural stability, they must lead to sustainable economic exchange.

Table 5

Three-Level Model for Transforming Cultural Capacity into Sustainable Economic Presence

Level	Main Components	Proposed Measures	Expected Outcome
Cultural and communication	Improving cultural and commercial image, market knowledge, digital diplomacy, scientific and cultural exchanges	Specialized exhibitions, product promotion, joint market research, multimedia content production	Increased understanding, reduced information costs, improved commercial image
Institutional and network	Coordination between cultural and economic institutions, institutional trust, networking among merchants and elites	Linking cultural centers with chambers of commerce, activating joint associations, utilizing Pakistani elites educated in Iran	Strengthened trust, increased organized cooperation, continuity of relationships
Structural and economic	Removal of financial constraints, border security, logistics infrastructure, regulatory stability	Facilitating lawful payment mechanisms, improving border coordination, developing transportation and warehousing facilities	Reduced structural costs and increased feasibility of sustainable contracts

1) Cultural and Communication Level: Transforming Understanding into Commercial Opportunity

At the first level, the objective is to move cultural capacities beyond occasion-based and general activities

and transform them into practical understanding of the market and Iran's economic capabilities. At this level, cultural programs should be accompanied by market research, promotion of goods and services, specialized exhibitions, and direct communication among economic actors. In addition, the use of university capacities to conduct joint studies on the Pakistani market and consumer needs can reduce the information gap between the two countries.

2) Institutional and Network Level: Transforming Relationships into Organized Cooperation

At the second level, the focus is on creating linkages among cultural, economic, academic, and commercial institutions. Connecting cultural centers with joint chambers of commerce, utilizing networks of Pakistani elites educated in Iran, strengthening friendship associations, and establishing continuous communication among merchants and academics can move existing networks beyond their fragmented condition. At this level, the objective is not merely to increase the number of programs but to create a mechanism for maintaining communication, transferring information, and supporting commercial cooperation.

3) Structural and Economic Level: Creating the Conditions for the Realization of Exchange

At the third level are barriers whose removal requires measures beyond cultural activities. Banking and financial constraints, border insecurity, weaknesses in transportation and logistics infrastructure, and regulatory instability are among these barriers. At this level, cultural policy must be coordinated with commercial, financial, security, and infrastructural policies. Without improvements in these conditions, even active cultural and commercial networks may encounter limitations at the stage of contract implementation and continuity of exchange. Overall, the proposed model demonstrates that the three levels are not substitutes for one another. Strengthening the cultural level without institutional linkage leads to episodic activities; strengthening institutional networks without removing structural barriers limits the implementation of cooperation; and improving infrastructure without market knowledge and mutual trust may also prevent full exploitation of economic opportunities. Therefore, the effectiveness of the model depends on the relative simultaneity and coordination of these three levels.

As an overall conclusion to this study, it should be stated that the objective of the present article was to identify and explain the structural and institutional barriers to transforming the capacities of Iran's cultural diplomacy in Pakistan into sustainable economic presence. The reanalysis of qualitative data from 16 interviews showed that the gap between cultural capacity and economic performance cannot be explained solely by weaknesses in cultural activities. This gap results from the interaction of a set of structural, institutional, and cognitive barriers that affect different stages in the formation and continuity of economic cooperation. At the structural level, banking and financial restrictions, border insecurity, and weaknesses in transportation and logistics infrastructure were among the most important identified barriers. These factors increase transaction costs and limit the possibility of implementing commercial agreements. At the institutional level, lack of coordination among responsible agencies, regulatory instability, the absence of a long-term strategy, and the disconnection between cultural and economic institutions cause activities to be implemented in a fragmented and isolated manner. At the cognitive and communication level, weak market knowledge, an unfavorable commercial image, a shortage of well-known brands, and limited use of digital capacities reduce the possibility of converting cultural understanding into economic opportunity. One of the most important findings of the study concerns the difference between interpersonal and institutional trust. Interview data show that certain personal, ethnic, and cultural relationships among actors in the two countries possess favorable capacity; however, this condition is not observed to the same extent at the level of financial, regulatory, and executive institutions. Therefore, social trust can provide the basis for initiating cooperation, but its continuation requires institutional stability, contract enforceability, and support from formal mechanisms.

Another finding of the study concerns the limited capacity of cultural diplomacy to reduce different types of transaction costs. This instrument can reduce informational and communication costs through market research, product promotion, and networking, but banking, security, and infrastructural problems require specialized measures in the financial, security, and economic domains. Therefore, expecting cultural activities to resolve all trade barriers is inconsistent with

the actual nature and capacity of cultural diplomacy. Accordingly, the main conclusion of the article is that cultural diplomacy in Iran–Pakistan relations should be regarded as a soft driver for creating understanding, trust, and networked communication; however, its economic effectiveness depends on the removal of structural barriers and the establishment of institutional coordination. The article's proposed three-level model was developed on this basis: first, strengthening cultural and commercial understanding and communication; second, creating organized institutional networks; and third, improving structural and economic conditions to make sustainable exchanges possible.

Based on the findings, it is recommended that Iran's cultural programs in Pakistan move beyond exclusively occasion-based activities and be linked to actual market needs and commercial priorities. Organizing specialized and permanent exhibitions of Iranian products, introducing technical and engineering capabilities, conducting joint market studies, and using university capacities to understand consumer preferences can help reduce the information gap. It is also necessary to strengthen communication between cultural and economic institutions in an organized manner. Developing joint programs between cultural centers and the joint chamber of commerce, creating communication networks among merchants and academic elites in the two countries, utilizing the capacities of Pakistani graduates of Iranian universities, and activating friendship associations can reduce fragmentation in activities.

With respect to the commercial image, it is recommended that Iranian goods be promoted with emphasis on quality, standards, reliability, and after-sales services. Using cultural narratives to introduce products, alongside the provision of credible technical and commercial information, can help correct existing stereotypes regarding the quality of Iranian goods. Expanding digital activities in appropriate languages and in accordance with the needs of Pakistani audiences can also increase the younger generation's understanding of Iran's cultural and economic capacities. Finally, to address structural barriers, coordination among cultural, commercial, financial, and security policies should be strengthened. Improving lawful payment mechanisms, reducing operational obstacles to exchange, strengthening border and transportation infrastructure, and increasing the predictability of regulations are among the measures that can facilitate the transformation of cultural and social relations into sustainable economic cooperation.

6. Conclusion

The present study focuses on a reanalysis of qualitative data derived from 16 expert interviews; therefore, its findings reflect the experiences and perceptions of participants in the context of Iran–Pakistan relations and should not be generalized to other bilateral relationships without considering contextual conditions. Moreover, the reanalysis of existing data does not involve the collection of new data and therefore does not allow examination of possible changes in the commercial and political conditions of the two countries after the interviews were conducted.

Authors' Contributions

Authors contributed equally to this article.

Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

Transparency Statement

Data are available for research purposes upon reasonable request to the corresponding author.

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Declaration of Interest

The authors report no conflict of interest.

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Ethical Considerations

In this research, ethical standards including obtaining informed consent, ensuring privacy and confidentiality were observed.

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