



# PERSPECTIVES

THE BEGIN-SADAT CENTER FOR STRATEGIC STUDIES

## Why Iran Is Turning East

by Emil Avdaliani

BESA Center Perspectives Paper No. 1,711, August 26, 2020

**EXECUTIVE SUMMARY:** US pressure might have been an immediate impetus behind the recently leaked Iran-China deal, but the two states have deep historical and ideological ties that drive them together. With that said, the Iranian regime's ultimate goals will not allow for outsized Chinese influence. Any attempts by Beijing to thwart Iran's progress toward those goals will not be tolerated by Tehran, meaning the success of the deal is far from guaranteed.

Beijing and Tehran are preparing a whopping 25-year economic and security deal according to which China would invest up to \$400 billion in Iran. We need not go into details on the proposed agreement as it has already been [discussed at length](#), but it is worthwhile to delve into the geopolitical and historical background that drives the two countries toward one another.

When the provisional document was leaked, many analysts expressed the opinion that China and Iran are now more closely aligned because of increased US pressure. This is an understandable assumption, but there is much more going on. Iran's turn to China did not appear out of the blue; it has been in preparation for years. The deal represents a logical reaction of the Iranian political elite to the changing geopolitical order in Eurasia, namely the rise of China.

Like most states in the world, Iran is interested in engaging with the emerging Eurasian powerhouse. China was Iran's major trading partner during the administration of Mahmoud Ahmadinejad, who initiated the Islamic Republic's "Look to the East" program.

Iran is being opportunistic, as the center of global energy consumption is shifting from the Atlantic to the Indo-Pacific. Between 2017 and 2040, oil and

gas demand is projected to grow significantly and Iran quite naturally wants a share of that market.

Tehran's shift to the East is also driven by a lack of options. The regime's relations with Russia are generally described as close, but their mutual distrust in a number of geopolitical theaters prevents Tehran from "going north" to seek Russia's Eurasian alternative. Nor is the collective West an option as pressure from the US continues to mount. That leaves China as the only viable alternative through which to alleviate Iran's difficult economic situation.

But the proposed deal is not only about the evolving geopolitical order in Eurasia. China and Iran have much in common historically. Both are continuous, millennia-old civilizations that precede the Western Westphalian concept of state-to-state relations and indeed effectively oppose that notion. A strong sense of history in both China and Iran makes their political elites particularly sensitive to a Western military or economic presence near or inside their home countries. Both detest Western colonialism and have spent decades trying to neutralize the last vestiges of that bygone era.

But the distrust China and Iran share toward the collective West (we would include Russia as well) is also driven by the states' similar geography. Iran and China are both effectively closed in. Deserts, mountains, steppes, and seas surround the densely populated Iranian and Chinese heartlands. Historically this has helped both to be better defended against invaders, but it also created a fear of foreign encirclement that is deeply ingrained in the psyches of both political elites. This common anxiety drives the two states closer to one another as Western pressure ramps up.

Both states also find common ground with regard to connectivity across the Eurasian landmass and see themselves as central to any large-scale infrastructure projects or trade routes spanning the continent. This centrality on the ancient or modern Silk Road is a foundational block in the Chinese and Iranian geopolitical self-perceptions. It is no wonder that one of the key clauses in the proposed deal deepens Iran's integration into China's Belt and Road Initiative (BRI). This also explains Iran's vision of the BRI as a geo-economic rather than an imperialist initiative. This perspective contrasts with that of the West, which often calls the BRI a "neo-colonialist" project.

Beyond their common perception of the Silk Road, there is much inherent in Persian and Chinese historical and ideological ideas that pulls the two states toward one another. Tehran and Beijing both support the concept of a multipolar world, seek limits on US power, and try to pursue independent foreign policies.

Thus what Iran and China are trying to achieve—while motivated to an extent by immediate geopolitical developments—reflects long-term civilizational and ideological motives.

It can even be argued that Iran's agreement with China fits into its historical strategy of hedging against larger geopolitical rivals. Today it is the US; in the 16<sup>th</sup> century it was the Ottoman Empire against which the Persians tried to create coalitions with Europeans. In the early 19<sup>th</sup> century the Persians allied with Napoleon's France ostensibly against the British Empire, but on the ground, the move was more against the Russians and their gains in the South Caucasus—lands traditionally regarded by the Persians as part of their imperial domain. In the 1820s the Persians worked with London to halt Russia's onslaught. This pattern of hedging continued into the 20<sup>th</sup> century, when the powerful Soviet Union drew Iran closer to the US. The playing of the "Chinese card" is thus a traditional Iranian diplomatic method rooted in the country's history and perception of changing regional or global balances of power.

The proposed Iran-China deal is huge and might well have a defining influence on the regional balance of power and China's economic expansion in the Middle East and the Persian Gulf. However, the widely held assumption that the deal will be completely fulfilled is debatable.

Contrary to what many argue, China's and Iran's past economic involvement with one another was less than uniformly positive. Iranians remember how Chinese companies tried to exploit their lack of economic alternatives by demanding tougher trade terms, setting high prices, and bringing little economic results for the local workforce and budget. In 2012, the China National Petroleum Corporation (CNPC) stopped operations at the South Pars natural gas field when Iran moved to abrogate the company's contract. CNPC was later substituted with Petropars. In 2014, another of CNPC's contracts—the Azadegan oil field—was canceled, and difficulties continued into the following years.

Moreover, it is not clear how effective the deal will be in light of existing US sanctions. The Chinese have been hesitant to undermine their international position over anti-Iranian sanctions. Similar behavior has been observed in China's relations with sanctions-hit Russia.

In Iran there is also a general distrust toward greater powers. If all the points in the proposed deal are carried out, the Iranian political elite risks ceding a portion of state sovereignty to China. That is very much against the principles of the 1979 revolution and makes the likelihood of the complete success of the deal questionable at best.

Iran is entering a difficult point in its history. Regional and wider Eurasian geopolitics are driving the country toward the Indo-Pacific and specifically China. But the regime's engagement with Beijing is fraught with problems. Past experience was not positive, and the Iranians are highly sensitive to foreign pressure—whether that be from the Americans or from Asian companies seeking to exploit Tehran's weak bargaining position. This is bound to cause internal political tensions. Indeed, many from the Iranian political elite have already criticized the Iran-China deal. This means that despite its mammoth size and ambitions, it is far from guaranteed.

*Emil Avdaliani teaches history and international relations at Tbilisi State University and Ilia State University. He has worked for various international consulting companies and currently publishes articles on military and political developments across the former Soviet space.*