

# Iran-China Alliance: A Force for Good?



By Serena Liu

A prospective 25-year strategic partnership between Iran and China is a natural step for two countries that have enjoyed a history of strong diplomatic ties. It is also timely, given Iran's dire need for an economic lifeline and China's race to bolster its alliances. Politicians and policy analysts in Washington have expressed concern over the implications of a deal that unites two of their adversaries. Yet the real threat of this partnership to the US is a result of its own doing: the partnership could be a catalyst to improving regional relations for Iran, a sharp contrast to the US foreign policy strategies that have only escalated tensions.

A China-Iran partnership has been years in the making, with initial discussions tracing back as early as 2016. It made US headlines in July of this year when *The New York Times* published details from a leaked final draft of the deal.<sup>1</sup> The agreement will foster a robust economic relationship between the two countries. China plans to inject sizable capital into Iranian energy, infrastructure, telecommunications, and technology sectors, which have been long suffocated by US sanctions

and international constraints. In turn, Iran will offer China—the largest importer of Iranian oil—a discounted rate on the nation's energy resources. Iranian officials will also facilitate joint military exercises and greenlight Chinese development projects in strategic zones just east of the Strait of Hormuz.<sup>2</sup>

Washington is particularly on edge by Chinese presence in sensitive locations in the Middle East and by Chinese-Iranian military cooperation. Under the Belt and Road Initiative (BRI), China has proactively sought to influence global infrastructure investment. As tensions between the US and China reach extremes, China's soft power endeavors are further scrutinized. A quarter-century partnership between China and Iran—the impediment to US hegemony and a “dangerous regime”<sup>3</sup> in the eyes of the Department of State, respectively—has alarmed certain political communities. US Secretary of State Mike Pompeo warned that the deal would “destabilize the Middle East.”<sup>4</sup>

This deal should not come as a surprise to Washington, as it is a culmination of many years of cordiality between Chinese and Iranian officials.

Not only do the two countries share a comparable outlook on Western liberalism, but they are also “revisionist”<sup>5</sup> nations that challenge the current international order and notions of statehood. Since the nascent years of the Islamic Republic of Iran, the two countries have also engaged in considerable trade activity. The relationship brought increasingly significant benefits following the end of the Iran-Iraq War in 1988, as Iran focused on post-War reconstruction and saw China as a fast-growing and willing export partner. The alliance between the two states was defined by healthy trade relations in the late 20th century, most prominent in the energy sector but developed in areas such as chemical research and small commodities as well.<sup>6</sup> After Mahmoud Ahmad assumed the Presidency in 2005, he introduced a new priority in Iranian foreign policy to “Look East.”<sup>7</sup> With a history of cooperation, China and Iran continue to profit from Iran's current approach to the East. By 2010, China had become the dominant player in Iran's economy as its largest trade partner and oil purchaser.<sup>8</sup>

For Iran, this deal will add a degree of stability to the country's economy.

Bearing the weight of a new round of US sanctions, the country's GDP has considerably contracted over the last two years.<sup>9</sup> The renewed Chinese commitment to purchase oil will ensure a steady appetite for Iranian natural resources amid their struggle to find international buyers.

Additionally, an Iran-China partnership can open doors for Iran in a geopolitical arena where the US' meddling has failed to promote unity or peace. Over the years, US foreign policy in the Middle East has been characterized by direct military intervention, as well as alliances with countries with which it has strong economic or ideological connections.<sup>10</sup> The US' strategies for so-called rogue states, such as Iran, are motivated by an objective of isolating them from their region and the international community. In 2018, the US withdrew from the Joint Comprehensive Plan of Action (JCPOA); the agreement had created a temporary equilibrium in which sanctions

placed on Iran were relieved in exchange for the nation's compliance with the suspension of its nuclear programs.<sup>11</sup> Calling it quits on the JCPOA, US President Donald Trump instead opted for a “maximum pressure”<sup>12</sup> campaign of sweeping sanctions, including the new blacklist of 18 major Iranian banks in October 2020.<sup>13</sup> These measures have stagnated Iran's domestic development and international reception; moreover, they further provoke an already agitated country. In Iraq, attacks on US troops instigated by the Iran-sponsored Iraqi Popular Mobilization Forces have intensified since last December and prompted the high-profile drone strike on Iranian major general Qasem Soleimani.<sup>14</sup>

In contrast, the BRI's primary objective—establishing a connected Silk Road Economic Belt<sup>15</sup>—implies that it would be in China's best interests to help Iran forge positive relations with other BRI partners in the region. China's closest partner in the region, aside from Iran, is Saudi Arabia: China is already a top Saudi trading partner,<sup>16</sup> and negotiations are underway for a similar partnership agreement between these two

“

**In the regional political arena, an Iran-China partnership can open doors for Iran, where the United States' meddling has failed to promote unity.**

”

countries.<sup>17</sup> Pakistan is another Chinese ally; the China-Pakistan Economic Corridor (CPEC) is BRI's signature venture. The strengthened ties between Iran and China will place Iran in a regional network defined by trade and development, rather than sectarian and political disputes.

Iran's desire to win allies in the East meets China's ambitions to expand its global footprint in this new agreement that is sure to be the subject of international speculation in the coming months. Though only time will reveal the deal's true impact, China has succeeded thus far in cultivating a friendly relationship with Iran in a manner that runs counter to US strongman policies.

Washington's anxiety over this alliance suggests that it may be concerned with its declining power and influence in the region; perhaps, it is also an indirect acknowledgment of its policy missteps in the Middle East.