China-Iran Strategic Cooperation Changes the Balance of Power

There has been a marked shift in the balance of power in the world as the US has recently intensified its attempts to regain world domination, including through sanctions against countries trying to demonstrate their independence from Washington. And in this respect, Beijing’s attempt to create a multipolar world based on an alliance with countries that have already felt pressure from Washington, in particular Iran, is noteworthy.

In the Middle East, the Islamic Republic of Iran is virtually the only country that poses a serious threat to regional American hegemony. Washington’s accusations against Iran in recent years are numerous and include “sponsorship of terrorism”, “violation of human rights”, a propensity to threaten the US and US allies in the Middle East, support for anti-American insurgents in Afghanistan, Iraq and Syria, building nuclear weapons, etc.

For years now, Iran has been suffering from US-imposed sanctions, affecting in large part the interests of countries such as Russia, China, India and Turkey, all of which have longstanding, close financial and trade relations with Iran. The most vulnerable area of any attempted pressure on Iran by the US and its satellites is to halt Iran’s increasing pace of economic cooperation with these countries, and especially with China.

In this context, Iran has in recent years become increasingly reliant on China economically, diplomatically and to some extent militarily, providing Beijing with a unique opportunity to expand its influence in the Middle East as well as diverting much of the US Navy away from the Pacific.

From Beijing’s perspective, Iran is becoming an increasingly important strategic partner and ally against the United States, as a growing market for Chinese goods and through its possession of vast reserves of oil and natural gas,
which China badly needs to keep developing. Moreover, China has never had territorial claims to Iran, unlike other great powers, which has allowed Beijing to provide Iran with technology that the rest of the world has not sold, ignoring alleged “provocations” by Iran abroad and human rights “violations” domestically.

Faced with international sanctions, Iran has been deprived of access to foreign capital and the ability to develop its shrinking energy sector. As a result, the Islamic Republic has become largely dependent on China as the regime’s main diplomatic and economic protector in the face of internal and external pressures. All this has made Beijing in fact an ideal strategic partner for Tehran.

Relations between the People’s Republic of China and the Islamic Republic of Iran are currently at an all-time high, which led to the signing of a strategic partnership agreement on March 27, 2021 that will be valid for 25 years. Notably, this agreement had been “maturing” for five years since its origination in 2016 during Xi Jinping’s visit to Tehran. It was then, just after Barack Obama lifted sanctions, that Xi Jinping went to Iran with global plans and a large team of potential investors. The Iranian media were bubbling with excitement: Iran’s economy, drained by isolation and sanctions under Ahmadinejad, was to receive a golden rain of multi-billion-dollar investment from China.

Under the Strategic Partnership Agreement, China received a discount on Iranian oil and in exchange will invest $400 billion in various projects in Iran. In this context, it is noteworthy that whereas Iran used to “receive” investments from around the world worth no more than $5 billion a year, now it gets $16 billion from China alone, which is a huge financial “injection” into the Iranian economy. In addition, Iran, with its abundant hydrocarbon reserves, is interested in a reliable market and a stable trading partner, and needs technology and investment. It has found all this in China, which in turn needs a steady supply of imported hydrocarbons, the “engine” of its economy.

One should also keep in mind that for Iran, China is a potential ally against its main “enemy” — the United States — given that opposition to American “hegemony” is an ideological pillar of the Islamic Republic. Both China and Iran know too well the “handwriting and style” of their geopolitical rivals, primarily the “world policeman,” i.e. the US. These are echoes of the “velvet” revolutions that reached China, leading to the events in Tiananmen Square in 1989, the “mistaken” destruction of the Chinese embassy in Belgrade by a US precision bomb in 1999, at a time when the so-called international coalition was leveling Yugoslavia to the ground. This also includes the destabilization of the Uighur situation in Xinjiang, support for the protests in Hong Kong in 2014, 2019 and, more recently, Washington’s active actions to break away the Republic of China (Taiwan) from Beijing.

Iran also remembers well the “democratization in the American way” with the US invasion and the war in Afghanistan in 2001, Iraq (2003), Libya (2011) and Syria, as well as the war with Iraq (1980-1988), which started with the invasion by Iraqis of Iranian territory with the international support of the US and many interested states, primarily “US allies.”

There is no doubt that China and Iran share common interests in the military field as well, which could change the geopolitical balance in the Middle East. And this is confirmed by Iranian Supreme Leader Ali Khamenei’s agreement in early July 2020 to expand the existing deal to include new military elements proposed by senior figures in the IRGC (Islamic Revolutionary Guards Corps) and intelligence agencies, including air and naval cooperation.

Against this backdrop, the foreign ministers of China and Iran recently announced the launch of a 25-year cooperation agreement between the two countries. Signed in March last year, this cooperation agreement establishes a partnership between the two countries in areas such as healthcare, infrastructure, cybersecurity and agriculture. In addition, Iran has become a party to Beijing’s multi-billion-dollar Belt and Road Initiative, expanding the China-Iran partnership with other countries as well.

The US and a number of its closest allies have already expressed concerns about the bilateral agreement. As recently as a year ago, Bloomberg wrote: “Beijing’s alliance with Tehran is a challenge to Joe Biden’s administration as it sets about trying to rally allies against China, which Secretary of State Antony Blinken has said is the world’s ‘greatest geopolitical test’.” “It allows Iran to be a little bit tougher,” Dina Esfandiari, a senior adviser at the International Crisis Group, suggested in an interview with The Wall Street Journal: “I think this will make Europe and the US a little nervous as it looks like Iran will have a way out of its economic stranglehold.” At the same time, Tehran, by entering into an agreement with China, shows that it has strong allies, including a country that is a permanent member of the UN Security Council, Esfandiari noted.

Therefore, it is not surprising that Washington does not like the transition to a new qualitative level in relations between Tehran and Beijing, as, indeed, in relations between Iran and Moscow, which are developing quite
dynamically in many areas, as evidenced in particular by the results of the personal meeting between the presidents of Russia and Iran held in Moscow on January 19. However, the Islamic Republic acknowledges that relations with Russia, as at the moment with China, may develop into a strategic partnership, to the apparent displeasure of Washington.

Vladimir Platov, expert on the Middle East, exclusively for the online magazine “New Eastern Outlook”.