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China-Iran strategic partnership and the future of US hegemony in the Persian Gulf Region

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ABSTRACT

International power is under profound transition, marked by a move towards deep pluralism in the international system whereby a range of middle powers have begun to stake a greater claim to regional power. This shift is escalating the power struggle between the United States and China. Both Beijing and Tehran share a strategic plan to undermine US global hegemony, and both have encountered tensions, sanctions, and pressures originating from Washington. A relatively strong and independent Iran in the Persian Gulf would help China not only to ensure its interests in the region, but also to guarantee its energy security and embed its footprint in the Middle East. Consequently, in the age of relative decline of United States' power, and the rise of regional powers, the Sino-Iranian strategic partnership is changing the Middle East's security architecture. Iran's look East and China's march West strategic visions will meet in the Persian Gulf region. As such, this article seeks to explore such confluence, and its implications.

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Introduction

In March 2021 during the visit of Chinese Foreign Minister Wang Yi to Tehran and after several months of controversies,¹ Wang and his Iranian then-counterpart Mohammad Javad Zarif finally signed a 25-year bilateral strategic partnership agreement.² According to Iranian officials, this agreement entered the implementation stage in January 2022.³ The current multidimensional agreement has brought different reactions inside Iran and on the international stage. While Iranian authorities consider it a great milestone in the history of Iran's diplomacy and call it necessary for the development of the country, some

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This article has been corrected with minor changes. These changes do not impact the academic content of the article.

¹Farnaz Fassihi, Steven Lee Myers, 'China, with \$400 Billion Iran Deal, Could Deepen Influence in Mideast', New York Times, March 27, 2021, <https://www.nytimes.com/2021/03/27/world/middleeast/china-iran-deal.html>.

²Reuters Staff, 'Iran and China Sign 25-Year Cooperation Agreement', Reuters, March 27, 2021, <https://www.reuters.com/article/us-iran-china-idUSKBN2BJOAD>.

³Maziar Motamedi, 'Iran Says 25-Year China Agreement Enters Implementation Stage', Aljazeera, January 15, 2022, <https://www.aljazeera.com/news/2022/1/15/iran-says-25-year-china-agreement-enters-implementation-stage>.

China watchers point to the suspicion of the Chinese debt trap⁴ regarding the expansion of Beijing-Tehran relations. Some other scholars suggest that China's votes in favour of all UN Security Council sanctions against Iran over its nuclear program⁵ and call the 25-year agreement mere rhetoric that will not bring any considerable achievements for Iran.⁶

While there is still yet to be seen about the accord, the elaboration of this multi-dimensional agreement in the context of profound and extensive changes in the international system can clarify what goals Beijing and Tehran strive to achieve from this agreement. Indeed, Iran-China diplomatic relations trace back to the 1970s.⁷ However, in 2016 and during Xi Jinping's visit to Tehran the two countries decided to elevate bilateral relations to a new strategic level, called Comprehensive Strategic Partnership.⁸ China's contemporary state-to-state diplomacy is defined at twenty-four different levels of partnership agreements based on a hierarchical logic. Accordingly, the Comprehensive Strategic Partnership is ranked as the sixth level of partnership between China and Iran in terms of importance.⁹ To be sure, Beijing has only defined its relationship with those regional countries at the level of comprehensive strategic partnership, which it counts 'as the most important regional states', that secures its interests.¹⁰

Indeed, the extensive developments in the Middle East during the last two decades have made Iran an undeniable regional power. Various regional conflicts and the long-lasting antagonism between Tehran and Washington have prevented the U.S. and its allies to get along with Iran's rise to power. As such, massive sanctions have been imposed against Iran and new informal regional cooperation like Abraham Accords have been shaped. In this context, Iran has turned towards the East.

The expansion of strategic competition between China and the United States, China's move towards assertiveness, and its willingness to change the existing order rather than maintaining the status quo have provided the opportunity for a strategic partnership between the global powers and the emerging regional powers. Thus, significant common goals, such as restricting U.S. power projection in the Persian Gulf and the Indian Ocean, imply that the Sino-Iranian strategic partnership is more important than it seems.

Iran's 'look to the East'¹¹ and China's 'march West' seem to be congruent and mutually beneficent moves. Beijing's traditional 'wary dragon' strategy might be waning in the Middle East as it enhances its power and expands its influence.¹² The relative declining US influence and interests in the region makes this shift all the more plausible.

⁴For background on China's debt trap diplomacy see Karen P.Y. Lai, Shaun Lin, James D. Sidaway, 'Financing the Belt and Road Initiative (BRI): Research Agenda Beyond the "Debt-Trap" discourse', *Eurasian Geography and Economics*, Vol 61, No.2 (Winter 2020), pp.109–124.

⁵Security Council Report, UN Documents for Iran, <https://www.securitycouncilreport.org/un-documents/iran/>.

⁶For a discussion on Iran-China relations and imposed sanctions on Iran, see Jacopo Scita, 'China- Iran Relations Through the Prism of Sanctions', *Asian Affairs*, Vol. 53, No. 1 (Winter 2022), pp. 87–105.

⁷On China- Iran bilateral relations background see John W. Garver, *China and Iran: Ancient Partners in a Post-Imperial World*, (Washington: University of Washington Press, 2006); A. H. H. Abidi, 'Iran-China Relations: A Historical Profile', *China Report*, Vol.17, No.3, pp. 33–49.

⁸Official website of the President of the Islamic Republic of Iran, Full text of Joint Statement on Comprehensive Strategic Partnership between I.R. Iran, P.R. China, May 2016, <https://www.president.ir/EN/91435>.

⁹Quan Li, Min Ye, 'China's emerging partnership network: what, who, where, when and why', *International Trade, Politics and Development*, 2019, DOI:10.1108/ITPD-05-2019-0004.

¹⁰Jonathan Fulton, 'China's Changing Role in the Middle East', Atlantic Council, Rafik Hariri Center for the Middle East, June 2019, https://www.atlanticcouncil.org/wp-content/uploads/2019/06/Chinas_Changing_Role_in_the_Middle_East.pdf. p 4.

¹¹Zakiyeh Yazdanshenas, 'Iran Turns East', *Foreign Policy*, October 26, 2021, <https://foreignpolicy.com/2021/10/26/iran-china-russia-sco-raisi-turns-east/>.

¹²On China's expanding role in the Middle East see Anoushiravan Ehteshami, Niv Horesh, *How China's rise is Changing the Middle East*, (London: Routledge, 2020).

In this article, we focus specifically on the drivers of Iran's look to the East policy. We argue that the most salient factor that brings Tehran and Beijing closer to each other is their opposition to US hegemony in the current changing international system. While numerous incentives such as mutual economic benefits explain their motives to elevate their relationship, the fundamental basis of the China-Iran comprehensive strategic partnership is first and foremost opposing US hegemony, particularly from Tehran's point of view.¹³ We investigate the key aspects and major implications of the increasingly strong Beijing-Tehran strategic partnership insofar as it relates to the balance of power in the Persian Gulf and beyond. The research undertaken in compiling this analysis builds on insights acquired through in-depth interviews with Iranian officials like top previous and current diplomats and also Iranian scholars focusing on China's foreign policy. It also draws extensively on a rich array of primary sources and referring to Iranian top officials' statements to explicate the gist of the Iran-China partnership from Iranian perspective, and clarify its nuance with other China's partnership agreements.

This article proceeds in four sections. First, we discuss *deep pluralism* as the main conceptual framework that this article employs to assess the global power transition. Deep pluralism is a global state with diffuse distribution of power, wealth, and cultural authority, while power asymmetries still remain in place. Second, we briefly describe how the transformation of global power has impacted the Middle Eastern regional order and its major powers' quests for expanding their influence. We review political and security shifts in the Middle East since 2003, and how such changes shaped and reshaped Tehran's grand strategy, leading to Iran's turning East policy. In this section, we examine the evolution of Iran's grand strategy over the past decade to elaborate on Iran's *Look to the East* policy and clarify the context in which new Iran-China agreement has been developed. We then look at the China-Iran partnership from the Iranian perspective and explain Iran's explicit and implicit goals and ambitions of expanding relations with China. Third, we focus on China's *March West* strategy, explaining Iran's strategic importance to Beijing and the objectives China seeks to reach. Fourth, we discuss the regional and international implications of Chinese-Iranian strategic ties.

Deep pluralism: redistribution of global power

A fragmented but formidable mix of global major and middle powers are challenging US hegemony in several regions, including the Middle East.¹⁴ Emerging regional powers across the world, such as Iran and Turkey are claiming new-found power, and are becoming more responsive to the transformation of global international power into a dynamic of tension between the United States and China. This deep and sustained power transition requires making serious revisions in the US-centred alliance system in key strategic hotspots like the Middle East, South Asia, and Southeast Asia, amongst others.¹⁵ The rise of China as a political, military, and economic giant is undermining

¹³On China's officials anti-hegemonic attitude see Xi Jinping, 'Report to the 20th National Congress of the Communist Party of China', Report to the 20th National Congress of the Communist Party of China, October 16, 2022.

¹⁴Alam Saleh. 'The Iran-China Strategic Partnership and Changing Regional Order'. Australian Institute of International Affairs. April 16, 2021, <https://www.internationalaffairs.org.au/australianoutlook/the-iran-china-strategic-partnership-and-changing-regional-order/>.

¹⁵Adam p. Liff, 'China and the US alliance System', *The China Quarterly*, Vol. 233 (Spring 2018), pp. 137–165.

Western power and influence, and the West no longer acts as the primary mover in determining alliances, as we enter what Barry Buzan calls the 'post-western international order'.¹⁶ Buzan describes the Westless world as following:

"We are quite radically entering a new phase in which the West is no longer going to be the completely dominant power center behind international society. In some ways, we might look at this as a return to the world that once existed before modernity, global interdependence and the shrunken planet. Before the 19th century, in particular before the 16th century, the world was fairly loosely connected. And yet, amongst those connections, the distribution of power was fairly equal. So China, India and the Islamic world were all centers of power in their own right. We are now returning to something like that more equal world, but now with all of these centers of power closely connected and highly interdependent. This is a really big change. I now use the label 'deep pluralism' to describe this emerging world order".¹⁷

Buzan, in explaining the emerging world order and its characteristic deep pluralism, adds that global international society 'is now clearly moving away from its longstanding form of being a Western-dominated core-periphery structure, US-led, and with a relatively small core and a large periphery. It is moving towards reflecting a culturally and politically diverse group of great and regional powers, with an expanding core and a shrinking periphery'.¹⁸ This new global dynamic is disabling for states seeking to assert themselves as a formidable world power, and hegemony is less feasible and less legitimate. Intensification of conflict and competition between major powers in regions lying outside of their immediate geographical proximities is a likely effect of this restructuring of the global order, as played out currently in East Asia, Southeast Asia, Ukraine and the eastern boundaries of the EU.¹⁹

The changing Middle East and evolution of Iran's grand strategy

One of the consequences of the 2003 invasion of Iraq and the Arab uprisings of 2011 is that power dynamics in the Middle East are increasingly typified by conflicts and belligerence between major regional powers, with sectarian militia playing a more prominent role in the actualization of these conflicts. The retraction of US power in the region, combined with the US's reluctance to intervene since 2008, and its withdrawal from Iraq and Afghanistan, have served to damage Washington's credibility and capability to manage regional politics in the Middle East.²⁰ US regional allies and partners have lambasted the US for abandoning its central role as protector of the liberal order, and argued that a power vacuum has resulted from declining US involvement that, if effectively exploited by major regional powers or other great powers, will generate a region and a state of play that are distinctly anti-western and against the interests of the liberal world.²¹

¹⁶The transformation of global international society and the security agenda, Interview with Professor Barry Buzan. *Security and Defence Quarterly*, Vol. 30, No. 3, pp. 7–8.

¹⁷The transformation of global international society and the security agenda, Interview with Professor Barry Buzan. *Security and Defence Quarterly*, Vol. 30, No. 3, pp. 7–8.

¹⁸Amitav Acharya, Barry Buzan, *The making of Global International Relations: Origins and evolution of IR at its centenary*. (Cambridge: Cambridge University Press, 2019), pp 278–279.

¹⁹Ibid, p. 269.

²⁰Mehran Kamrava, 'Hierarchy and Instability in the Middle East Regional Order', *International Studies Journal (ISJ)*, Vol. 14, No. 4 (Spring 2018), pp. 1–35.

²¹Munich Security Conference, Munich Security Report 2020: Westlessness (Winter 2020), <https://espas.secure.europarl.europa.eu/orbis/node/1418>.

In parallel with developments in the global international system and traumatic changes in the Middle East's security architecture, Iran's grand strategy and its defence and foreign policies have drastically changed. To properly comprehend Iran's new 'Look East' policy, we must contextualize it within the narrative of Iran's grand strategy over the past decade.

A vast range of internal and external factors affect the formulation of Iran's grand strategy, but the ideological-political orientation of the administration and Iran's economic situation comprise two major internal determinants. Although according to the Iranian constitution, the Supreme Leader, has responsibility for deciding on major foreign policy choices Iran's post-revolutionary history has shown that successive conservative, reformist, and revolutionary presidents have left their own distinct marks on Iran's grand strategy.²² In terms of Iran's economy, while slowing GDP growth does not wholly capture Iran's economic situation, it is indicative of the country's economic capabilities. Iran's dependence on petroleum export revenues means its economic capacity is directly linked to oil prices and to its ability to sell its energy.

Referring back to the drastically changed architecture of power in the region and power competition in the global stage between Washington and Beijing Iranian policy-makers are now encountering potentially empowering opportunities. These external factors pendulate with Iranian domestic politics and the ideologies of state leaders, and the resulting combination informs the country's grand strategy. Iran has to date pursued a plethora of strategies, from appeasement to expansionism, rapprochement to counter-containment.²³

Maximizing national power as a grand strategy (2010–2013)

From 2010 to late 2012 a combination of domestic events and international circumstances led Iran to adopt a form of expansionism as its grand strategy. Iranian officials sought to maximize Iran's regional power, and unlike his predecessors, who had tried to partially improve Iran's relations with the West, the conservative Mahmoud Ahmadinejad assumed a confrontational approach towards the West, with the US as its main expressed target.²⁴ Claiming to restore the ideals of the Islamic Revolution, Ahmadinejad espoused a political message premised on principles of justice, as conceived by Iranian-Islamic ethics, and he pursued a grand strategy prioritizing confrontation with US hegemony and unilateralism.²⁵ Increased government revenues during this period enabled and facilitated power maximization.²⁶ Oil revenues for 2010–2012 were significantly greater than the revenues gained during previous years. According to official data from the World Bank, GDP stood at 486.8 billion US dollars, 580.8 billion US dollars and 598.9 billion US

²²Kevjn Lim, 'Iran's Grand Strategic Logic', *Survival*, Vol.62, No.5 (2020), pp. 157–172.

²³- Ibid., p. 160.

²⁴Barbara Ann Rieffer-Flanagan, 'Islamic Realpolitik: Two-Level Iranian foreign Policy', *World Peace*, Vol. 26, No.4 (Winter 2009), pp. 7–35.

²⁵Reza Simbar, Arsalan Ghorbani, 'Intellectual Bases and Practical Policy of the Iranian 9th Government in International Relations', *Journal of International and Area Studies*, Vol. 17, No. 1 (2010), pp. 17–30.

²⁶Jahanshir Mansouri Moghaddam, Ali Esmaeli, 'Analysis of Iran's Foreign Policy during the Presidency of Mahmoud Ahmadi-Nejad; from the Perspective of Coherence of James Rosenau', *Politics Quarterly*, Vol.41, no. 1 (2011), pp. 283–300.

dollars in 2010, 2011, and 2012 respectively. This comprised the highest GDP in Iran's modern history since 1960.²⁷

Ahmadinejad capitalized on the strong economy by initiating efforts to strengthen Iran's nuclear capability and make this a symbol of Iran's national power.²⁸ He strengthened the economic arm of the Islamic Revolutionary Guard Corps, known as the Khatam al-Anbia Construction Headquarter,²⁹ sought to establish bilateral political relations with non-western countries and, most importantly, to expand Iran's influence in the Middle East in the wake of the Arab Uprising in 2011. These moves comprise early prototypical methods such as exploiting intra-regional conflict and, forging alliances with middle and great powers outside of the axis of western states.

In February 2010, Iran began producing 20% enriched uranium, allegedly for the Tehran Research Reactor. Following this expansion of nuclear capability, the US penalized Iran and forced Tehran to stop advancing its nuclear program. On July 30th, 2012 Obama signed an executive order titled 'authorizing additional sanctions with respect to Iran'. The order expanded the sanctions outlined in Section 1245 of the FY 2012 National Defense Authorization Act (NDAA) in an attempt to deter Iran from establishing payment mechanisms for the purchase of Iranian oil in order to circumvent NDAA sanctions.³⁰

The unprecedented increase in the IRGC's power pushed Iran further towards a grand strategy focused on power maximization. The IRGC, which had been able to expand its power in the political arena during the first term of Ahmadinejad's presidency, strengthened and embedded its economic power and sphere of influence. The Khatam al-Anbia Headquarter, as the economic arm of the IRGC, was able to consolidate its role in Iran's economic governance.

The international environment has played a complementary role in conditioning Iran's grand strategy too. The civil uprisings in the Middle East known as the Arab Spring acted as a stimulus for Iran to advance its grand strategy of power maximization. Iranian leaders, with the rest of the world, witnessed rampant civil protests occur in countries such as Egypt, Yemen, and Bahrain, with vast crowds gathered in opposition to the presiding dictators allied to the United States.³¹ Interpreting these uprisings as a domestic event with anti-hegemonic international implications, Iranian officials referred to the developments in the Arab world as an 'Islamic awakening'.³² Iran's Supreme Leader, Ali Khamenei, reimbued contemporary political life with the principles of the Islamic Revolution, staking a claim for the revolutionaries that they comprised the founding ideological model upon which the Arab Uprising was

²⁷World Bank. 'GDP (current US\$)—Iran, Islamic Rep'. The World Bank Group, accessed 8,27,2021. <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=IR>.

²⁸Akbar Ashrafi, Mahdi Soltani Gerdfaramaz, 'A Comparative Study of Nuclear Policy of President Ahmadinejad With the Nuclear Discourse of The Islamic Revolution in Iran' *Studies of International Relations Journal*, Vol. 11, No. 42 (Summer 2018), pp: 103–131.

²⁹Ahmad Majidiyar, 'Defying Pressure, Khatam al-Anbia Chief Defends IRGC's Economic Role', *Middle East Institute*, February 9, 2018, <https://www.mei.edu/publications/defying-pressure-khatam-al-anbia-chief-defends-irgcs-economic-role>.

³⁰White House, *Fact Sheet: Sanctions Related to Iran*, July 31, 2012, <https://obamawhitehouse.archives.gov/the-press-office/2012/07/31/fact-sheet-sanctions-related-iran>.

³¹On Arab Spring and the regional architecture of the Middle East, see Paul Danahar, *The New Middle East: The World after the Arab Spring* (London: Bloomsbury Press, 2013) and Raymond, Hinnebusch, 'The Arab Uprisings and the MENA Regional States System', *Uluslararası İlişkiler*, Vol.11, No.42 (Summer 2014), pp. 7–27.

³²Philip O. Amour, *The Regional Order in the Gulf Region and the Middle East: Regional Rivalries and Security Alliances*, (Germany: Springer International Publishing, 2020) p.118.

based.³³ Iran considered the civil uprisings in the early years of the decade to have laid fertile ground for it to strengthen its soft power in the region. The outbreak of civil war in Syria and the risk of the Bashar al-Assad regime's collapse provided further opportunities for Iran to expand and deepen its military presence in Syria. The Quds Force, the external branch of the Iran Revolutionary Guards Corps, which had been trying—since the Iran-Iraq War—to establish informal militia alliances in the region, used the situation in Syria as a means of increasing its military operations in Syria. This forging of new militia connections has consolidated Iran's importance in shaping the new security architecture of the region.

Mahmoud Ahmadinejad introduced Iran's 'Look East' strategy, which has, in some form, continued to this day. This first iteration of the Look East approach was ideologically charged and based on a visceral hatred of American hegemony, with a pattern emerging of enhancing relations with non-American actors—both states and militia. Iran thus began building stronger political ties with Asian, African, and Latin American countries, and this pattern was to evolve further in the proceeding years.³⁴

Pragmatic global re-engagement (2013–2015)

Following Iran's rapid expansion of its nuclear program, Tehran faced severe international and unilateral (US-imposed) sanctions. Seeking to isolate Iran, the US sanctioned a range of Iranian financial institutions, including its central bank.³⁵ These sanctions measurably damaged the Iranian economy and led to the rise of Hassan Rouhani and the moderates. Rouhani espoused moderation and sought to reconcile the reformists with the conservatives so as to boost Iran's engagement with the world. New policymakers, ever-worsening economic decline, and turbulence in the wider region prompted by the re-emergence of terrorism in the Middle East led to Iran further exploring a grand strategy of re-engagement.³⁶ Rouhani engaged with international actors directly over the nuclear talks and reached an agreement with the P5 + 1. From when he came to power in 2013 until July 2015 when the nuclear deal was signed, Iran's GDP fell sharply. In 2013, GDP had decreased by 23% on the previous year. It had reached 460 billion US dollars in 2013. In 2014 and 2015, it stood at 432 and 385 billion US dollars respectively.³⁷

During this period political elites reached a consensus on the necessity of arriving at a nuclear deal. For the first time in Iran's history, the Supreme Leader, Ali Khamenei spoke of *heroic flexibility* and stressed that the Islamic Republic had to utilize alternative methods to reach its goals.³⁸ Despite broad national consensus on the need to resolve the conflict over Iran's nuclear program, no agreement was in place as to the future trajectory of

³³Bahram Akhavan Kazemi, Allahkaram Moshtagi, 'Islamic Awakening and its Reasons with Special Emphasis on the Viewpoints of the Leader of Islamic Revolution of Iran' *Islamic World Studies*, Vol.1, No.1, pp. 31–60.

³⁴Azadeh Zamirirad, 'Forced to Go East? Iran's Foreign Policy Outlook and role of Russia, China and India', SWP Working Papers No 1. (Berlin: German Institute for International and Security Affairs, Spring 2020), p. 3.

³⁵White House, *Fact Sheet: Sanctions Related to Iran*, July 31, 2012, <https://obamawhitehouse.archives.gov/the-press-office/2012/07/31/fact-sheet-sanctions-related-iran>.

³⁶Shahram Akbarzadeh, Dara Conduit, 'Rouhani's First Two Years in Office: Opportunities and Risks in Contemporary Iran', In: Shahram Akbarzadeh, Dara Conduit, ed., *Iran in the World* (New York: Palgrave Macmillan, 2016), pp. 1–15.

³⁷World Bank. 'GDP (current US\$)—Iran, Islamic Rep'. The World Bank Group, accessed 9,14,2021. <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=IR>.

³⁸Seyyed Ali Khamenei to Basij Commanders, November 20, 2013 <https://www.leader.ir/en/content/11328/Supreme-Leader's-Speech-in-Meeting-with-Basij-Commanders>.

Iranian foreign policy. While Rouhani and his moderate, pragmatic foreign policymakers sought to increase Iran's engagement with the world via resolution of disputes with the United States,³⁹ the IRGC and conservative factions in government saw the nuclear deal as a mere political-legal instrument that would prompt the lifting of sanctions and stabilize Iran's crisis-ridden economy.

Regional developments worked alongside international and domestic events, with the security structure of the region swiftly transforming due to a redistribution of power in the Middle East. In 2014, following the terrorist attacks committed by the Islamic State (ISIS) on Mosul and Tikrit, Iran's military presence in the region was expanded. ISIS was able to occupy one-third of Syria and 40% of Iraqi territory.⁴⁰ These developments were a mixed blessing for Iran; on the one hand, the security of Iran's western borders was endangered; on the other hand, this threat would enable Iran to intervene in its border regions more proactively. Tehran decided to fight the terrorists outside Iran's geographical borders to maintain its territorial integrity and prevent ISIS from invading its western border. In a quote intended to shock, Khamenei argued that if Iran did not fight ISIS in Syria and Iraq, then it must fight them in Iran.⁴¹

Iran's direct military presence in Syria and Iraq—aside from official rhetoric—created the opportunity for the state to expand Tehran's regional power and influence.

Between engagement and consolidation of regional power (2015–2018)

After the nuclear deal was struck, the Rouhani government came under widespread criticism from conservative officials. In calling the agreement unbalanced, conservatives posited that it was failing to serve Iran's interests. They claimed the nuclear deal to be a containment tool designed to indirectly limit Iran's power and influence.⁴² The Obama administration was portrayed as ultimately seeking to realize second and third agreements with Iran to comprehensively limit its regional power, and conservatives warned the Rouhani administration that it must not fall into this trap. Khamenei made it clear that Iran would never agree to other deals with the United States to limit its missile capabilities.⁴³ Combined with these conservative faction influences, domestic disagreements and international obstacles (such as Iran's subjection to US sanctions and its failure to join the FATF)⁴⁴ also prevented Iran from progressing towards greater engagement with the world.

³⁹Luciano Zaccara, Mehran Haghirián, 'Rouhani, the Nuclear Deal, and New Horizons for Iran-US Relations', in Luciano Zaccara, ed., *Foreign Policy of Iran under President Hassan Rouhani's First Term (2013–2017)*, Singapore: Palgrave Macmillan, 2020), pp. 57–86.

⁴⁰On ISIS expanding control over the Middle East, see Tomas Kaválek, 'From al-Qaeda in Iraq to Islamic State: The Story of Insurgency in Iraq and Syria in 2003–2015', *Alternatives: Turkish Journal of International Relations* Vol. 14, No.1 (2015), pp. 1–32.

⁴¹Seyyed Ali Khamenei to the families of martyrs defending the holy shrines, January 25, 2016, <https://farsi.khamenei.ir/speech-content?id=32186>.

⁴²Mohammad Jamshidi, 2018, In the Supreme Leader's meeting with university professors, June 10, 2018, <https://modir.velayat.ir/fa/media/play/24568?year=1397&type=0&page=40> [in Persian].

⁴³Seyyed Ali Khamenei to the graduated of army officer universities, October, 25, 2017, <https://farsi.khamenei.ir/news-content?id=37991>.

⁴⁴For a concise analysis on Iran, FATF and US sanctions against Iran, see Yahya Alavi, Mohsen Joodaki, 'An Analysis of the Role of the Financial Action Task Force (FATF) in the effectiveness of the US Unilateral Sanctions (case Study: Iran)', *Security Horizons*, Vol.14, No. 50 (Summer2021), pp. 95–125.

The United States and its allies still perceived Iran as an irresponsible actor which held no respect for the established order. This made it difficult for Iran to realize its ostensive strategy of enhanced engagement with the wider world. During this period, Iran delivered on its commitments from the nuclear deal so it could enjoy the minimal economic benefits that arose from it, but it simultaneously pursued a policy of expanding its strategic depth in the region. Regional developments were at this time in Iran's favour. A wave of civil wars concluded in favour of Tehran's longest-lasting ally, Damascus. Iraqi forces were able to kick ISIS out of Mosel, with the help of Iran and its backed militias. Iran achieved its greatest regional power and influence since the Arab Uprising, and to protect its achievements Iran adopted a strategically calculated approach of applying patience to Israeli provocations in Syria and in international waters.⁴⁵

Iran's look east policy since 2018

US withdrawal from the nuclear deal in 2018 was a critical turning point for Iran's foreign policy. In May 2018, Donald Trump coined the JCPOA a terrible, one-sided deal that the United States should never have entered into, and he promptly announced that Washington would no longer be a party to the deal.⁴⁶ Shortly afterwards, sanctions that had been lifted or suspended were reinstated. The Trump administration imposed new, crippling sanctions on Iranian individuals and organizations. These severely deteriorated Iran's economy. Inflation in Iran reached 37% in 2020⁴⁷ and Iran's oil sales decreased to a 40-year low.

US withdrawal from the JCPOA and the worsened economic situation this created gave hardliners an opportunity to criticize Rouhani's moderate administration. The Supreme Leader repeatedly denounced the administration for trusting the US and its allies and explicitly declared that he had been against the JCPOA. He claimed that he had warned the president and the secretary of state about the US's intentions several times.⁴⁸ Political and economic developments in Iran deepened the gap between the government and the nation, fostering public opinion that problematized the Rouhani administration and leading to a new wave of mass social protests. The results of the last Iranian presidential election showed the lowest turnout for the past four decades.⁴⁹

A deepening pessimism regarding the United States and the disruption in Iran's domestic politics were accompanied by significant regional and international developments. In the post-2016 period, the United States had shown that it was reluctant to engage itself directly in Middle Eastern security issues, and it had

⁴⁵Guido Steinberg, 'The "Axis of Resistance": Iran's Expansion in the Middle East Is Hitting a Wall', SWP Working Paper, No. 06, (Berlin: German Institute for International and Security Affairs, Summer 2021).

⁴⁶The White House, *President Donald J. Trump is Ending United States Participation in an Unacceptable Iran Deal*, May 8, 2018, <https://trumpwhitehouse.archives.gov/briefings-statements/president-donald-j-trump-ending-united-states-participation-unacceptable-iran-deal/>.

⁴⁷World Bank. 'Inflation, consumer prices (annual %) —Iran, Islamic Rep'. The World Bank Group, accessed 10,15,2021, <https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?locations=IR>.

⁴⁸Seyyed Ali Khamenei, 2021, *Wherever you left the job to the West, it was unsuccessful*, Supreme Leader last meeting with the president[Rouhani] and the cabinet members of the Twelfth Government, 28 July 2021, <https://www.leader.ir/en/content/25120/he-last-meeting-with-the-President-and-the-cabinet-members-of-the-Twelfth-Government>.

⁴⁹Statista Research Department, Rate of voter turnout for presidential elections in the Islamic Republic of Iran from 1980 to 2021, Statista, June 2021, <https://www.statista.com/statistics/692094/iran-voter-turnout-rate/>, accessed 3/1/2022, <https://www.statista.com/statistics/692094/iran-voter-turnout-rate/>.

emphasized the role of its allies in maintaining regional order.⁵⁰ The initiation of withdrawal of the United States troops from Afghanistan, negotiations with the Taliban, the Abraham Accords, and the move to drag Israel into the Persian Gulf all added substance to US rhetoric.

As regional developments ensued, the international rivalry between Washington and Beijing also reached new heights of intensity. Bilateral relations between China and the US took a nosedive at the beginning of the trade war and were demonstrably tense after the announcement of punitive tariffs by the Trump administration, prompting some commentators to speak of a new Cold War.⁵¹ The United States national security documents, such as the National Security Strategy,⁵² the Defense Strategy,⁵³ and the Asia-Pacific Strategy,⁵⁴ all released during Trump's presidency, unanimously identified China as the most important threat to US national security and its international standing.

The nuclear deal's demise and the intensification of distrust of the US, particularly after the assassination of Major General Qasem Soleimani coupled with international and regional developments, urged Iran to distance itself from its hitherto grand strategy of engagement. Iranian officials have now come to the conclusion that Iran's interests and the role it has defined for itself in the region will not ultimately be approved by the West. Tehran thus sees the JCPOA or any other agreements on the nuclear issue as part of a wider western containment strategy,⁵⁵ and they have concluded that Iran should look for an alternative model as its grand strategy, even if the JCPOA will be eventually revived. As Iran's conservative president, Ibrahim Raisi, has repeatedly stated, the new administration's foreign policy is not dependent on the nuclear deal and its fate.⁵⁶

Although the Raisi administration seeks to revive the Iran Deal, it sees the JCPOA as solely a short-term solution appropriate for reducing the relative pressure of sanctions on the country's economy. Iranian policymakers have come to believe that to ensure national interests are served, they cannot rely on an agreement that places significant leverage in the hands of the United States and its allies. Aladdin Gharavi, a former Iranian diplomat and assistant professor of International Relations at the School of International Relations of Ministry of Foreign Affairs considers the agreement between Iran and China as a strategic initiative, which is the result of cutting off Iran's hope from the US and Europe.⁵⁷

⁵⁰On Trump administration's policy in the Middle East, see Bilel Kriaa, 'Trump's Legacy in the Middle East: Strategic Shift and the Geopolitics of American Foreign Policy in the Region', MA thesis, Portland State University, Portland, 2021.

⁵¹On US- China trade war, see Yoon Heo, *Free Trade and the US-China trade War: A Network Perspective* (London: Routledge, 2022).

⁵²The White House, *National Security Strategy of the United States of America* (Washington, DC: White House, 2017), <https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

⁵³Department of Defense, Summary of the 2018 National Defense Strategy of the United States of America (Washington, DC: Department of Defense, 2018), <https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.

⁵⁴Department of State, *A Free and Open Indo-Pacific: Advancing a Shared Vision* (Washington, DC: Department of State, 2019), <https://trumpwhitehouse.archives.gov/wp-content/uploads/2021/01/OBrien-Expanded-Statement.pdf>.

⁵⁵What is America's goal in negotiating with Iran?, Fars news agency, 11 June, 2022, <https://www.farsnews.ir/news/14010318000710>, accessed 7/30/2022.

⁵⁶Ibrahim Raisi, The foreign policy of our administration is not limited to the JCPOA, 21 June, 2021, *رئیس‌ی/۲: سیاست خارجی*, (isna.ir). دولت ما محدود به برجام نیست - ایسنا

⁵⁷Authors' Interview with Aladdin Gharavi, Tehran, January 10, 2021.

Looking at current developments in international politics, the Iranian authorities have concluded that the international order is changing in favour of eastern powers.⁵⁸ Adapting a deterministic viewpoint, Reza Zabib, Iranian ambassador to Spain and former director-general of the Asia-Pacific Department of Iran Foreign Ministry claims the signs of the decline of existing world order have been revealed and they cannot be stopped. "If China, as the most important player in the emerging order, recognizes Iran's identity and position, the Islamic Republic will also have no problem with this emerging order and its key players' interests".⁵⁹

Thus, the Islamic Republic of Iran has put the East, and in particular the establishment of strategic relations with China, at the centre of its grand strategy. It sees this eastward shift as a strategically empowering means for the country to pursue its national interests, both internally and regionally. Mohammad Marandi Professor of English literature and Orientalism at the University of Tehran, posits that global economic power is shifting to the East, and if Iran wants to act globally and maintain its independence it must look to the East. According to Marandi, 'Iran has been adjusting its foreign policy for hundreds of years by looking to the West, but now looking to the East appears to be able to lead to the adoption of a balanced and sustainable foreign policy'.⁶⁰

The China-Iran comprehensive strategic partnership agreement: Iran's objectives

The diplomatic relationship between China and Iran dates back to 1911. However, in 1949 when the Chinese Communist Party came to power, the relationship between the two countries got stalled. During this period, Iran condemned China for supporting the Tudeh party of Iran, and China also criticized Iran for adopting imperialist policies. In 1971, the two countries once again decided to restore diplomatic ties. Bilateral relations continued after the Islamic Revolution. China actively participated in reconstruction projects after the 8-year war between Iran and Iraq.⁶¹

China, as an illiberal, well-developed country, displays an appealing model of growth and development for the Islamic Republic of Iran. Tehran has always longed for ways to separate economic development from the ideologically closed political system, and thus views China as a valuable role model. Beijing has proven it will support the preservation of the political status quo in Iran and, unlike the US, it is not in pursuit of regime change. Gholam Ali Khoshroo, Iran's ex-ambassador to the UN believes that China does not have an interventionist approach and unlike the US, it does not define its values universally and does not seek regime change policy in Iran.⁶²

⁵⁸Ali Akbar Velayati, 'Velayati: What does common sense say? Should we Look to the West, which has always been an enemy, or Russia, which has always helped?', The office of Supreme Leader 22 July, 2022 <https://www.entekhab.ir/fa/news/686771/%D9%88%D9%84%D8%A7%DB%8C%D8%AA%DB%8C-%D8%B9%D9%82%D9%84-%DA%86%D9%87-%D9%85%DB%8C%E2%80%8C%DA%AF%D9%88%DB%8C%D8%AF-%D8%A8%D9%87-%D8%B3%D9%85%D8%AA-%D8%BA%D8%B1%D8%A8-%D8%A8%D8%B1%D9%88%DB%8C%D9%85-%DA%A9%D9%87-%D9%87%D9%85%D9%88%D8%A7%D8%B1%D9%87-%D8%AF%D8%B4%D9%85%D9%86%DB%8C-%DA%A9%D8%B1%D8%AF%D9%87-%DB%8C%D8%A7-%D8%B1%D9%88%D8%B3%DB%8C%D9%87-%DA%A9%D9%87-%D8%AA%D8%A7-%D8%AA%D9%88%D8%A7%D9%86%D8%B3%D8%AA%D9%87-%DA%A9%D9%85%DA%A9-%DA%A9%D8%B1%D8%AF%D9%87>.

⁵⁹Authors' Interview with Reza Zabib, Tehran, April 23, 2021.

⁶⁰Authors' Interview with Seyyed Mohammad Marandi, Tehran, February 17, 2021.

⁶¹Naser Al-Tamimi (2012), 'China-Saudi Arabia Relations: Economic Partnership or Strategic Alliance?' Discussion Paper, Durham University, HH Sheikh Nasser Al-Sabah Programme, Durham.

⁶²Authors' interview with Gholam Ali Khoshroo, Tehran, September 02, 2021.

Both Iran and China have been accused of human rights violations several times by the United States and European countries. This shared experience has brought them together and strengthened a mutual trust between Beijing and Tehran. Furthermore, historically, China and Iran have a shared experience of humiliation under Western imperialism. Both countries were ancient imperial powers that gradually lost glory and status during the global power shift from East to West that characterizes modernity. Mohammad-Kazem Sajjadpour, a senior Iranian diplomat and professor of International Relations at the University of Tehran, states, 'Iranian Chinese bilateral relations go far beyond the specifics of the nuclear deal and the various confrontations with the West. This is a mature relationship based on historical foundations'.⁶³

Iran seeks to develop and strengthen its economic power with the support of China. Tehran hopes to address its devastated economy by expanding its strategic partnership with Beijing. Finding an alternative grand strategy fit to restore the sanction-hit economy would guarantee Iran a means of consolidating its regional power, ensuring the state's survival, and increasing citizen support of the state by boosting the economy and people's quality of life.⁶⁴

Mohsen Shariatinia, Assistant Professor of Regional Studies at Shahid Beheshti University, divides the variant views of Iranian academics and policymakers regarding the Iran-China strategic partnership into three categories. According to him, from a geopolitical viewpoint, the Iran-China partnership is viewed by some as one side of a strategic triangle, with the other sides being Sino-US relations and the US-Iran relationship. From a development-oriented viewpoint, the partnership can be construed as an attempt to expand multilateral relations with the second- largest economy worldwide. And finally, a more pessimistic view denounces the partnership as a strategic own goal that will turn Iran into China's client state in the region. Shariatinia believes that the current administration has a more economic- and development-oriented view of Iran's relationship with China.⁶⁵ Looking at the leaked version of the agreement, to be sure Iran pursues a wide range of political, economic, and cultural objectives from this deal, which are called strategic goals. But based on what has been discussed, the main objectives of Iran can be summarized in the next three sections.

Iran's geopolitical ambitions: the Iranian "defense in depth" strategy

During Iran's Armed Forces General Staff's visit to Beijing in 2020, General Bagheri pointed out similarities between the security environment of the Persian Gulf and the South China sea as both Iran and China are encircled by US allies in their respective regions.⁶⁶ Since 2003, Iran has found itself surrounded by US troops at its eastern, western, and southern borders.⁶⁷ The interventions have coincided with economic sanctions on Tehran, later reinforced by President Donald Trump as part of a maximum-pressure strategy aimed at

⁶³ Authors' interview with Seyyed Kazem Sajjadpour, Tehran, February 11, 2021.

⁶⁴ James Phillips, 'United States Should Derail Prospects for an Iran-China Alliance', *The Heritage Foundation, Douglas and Sarah Allison Center for Foreign Policy*, No. 3541, October 6, 2020, p. 2–3.

⁶⁵ Authors' interview with Mohsen Shariatinia, Tehran, January 29, 2022.

⁶⁶ Mohsen Shariatinia, Hamed A. Kermani, "Iran, China and the Persian Gulf: An Unfolding Engagement", *Global Policy*, Vol. 14, No. S1 (2023), p. 41.

⁶⁷ Ben Piven, 'Map: US Bases Encircle Iran' *Aljazeera*, May 1, 2012, <https://www.aljazeera.com/news/2012/5/1/map-us-bases-encircle-iran>.

forcing Iran to renegotiate its military capability and regional behaviour. These regional and international trends have been perceived by Tehran as comprising existential threats. Iran thus has initiated a new 'defence in depth' security strategy to deal with the perceived security threats.⁶⁸

Iran has accordingly adopted four new strategies to deter powerful rivals and adversaries, namely the United States, Israel, and Saudi Arabia, in the newly shaped Middle East's security architecture. First, it has set about widening its conflict zone from the Oman Sea to the Mediterranean Sea. According to IRGC Navy Commander Rear Admiral Alireza Tangsiri, Iran's Supreme Leader has tasked the IRGC navy with permanent presence in waters far away from the country.⁶⁹ The IRGC Navy plans to establish a permanent base in the Indian Ocean. Earlier, Iran's Army Navy had established a permanent base in the north of the Indian Ocean, near the coast of Makran.⁷⁰ Hossein Alaei, the first commander of the IRGC Navy and the former head of the Joint Staff of the IRGC considers Iran's presence in international waters through the lens of maritime security. According to Alaei, all Iranian maritime traffic faces two different types of threats, that Iran has to deal with. Firstly, it has to fight against threats originating from the US and Israel. In recent years they have repeatedly seized or attacked Iranian ships. Secondly, Iran, like other countries, has to protect its ships against piracy acts.⁷¹ However, Iran's presence in faraway waters will make it difficult for the United States to manage a war in such a vast geographical area.⁷²

Second, it has also acted to prolong conflict in the region. This makes it more unaffordable for the United States, and other democracies, to enter long and open-ended wars, due to sensitivities in public opinion. Third, Iran has also acted to diversify its military campaigns and move beyond regular warfare into irregular and asymmetric wars. This may allow Iran, which cannot match the powerful military might of the United States, to execute new types of war in which it has a greater advantage.⁷³ Fourth, it has also invited the US's global rivals, such as Russia and China, to back Iran politically, militarily, and economically, and help it to survive confrontation with the US.⁷⁴ Gharavi calls Iran's enthusiasm for closer ties with China a strategy for balancing the American power in the region and as part of Iran's traditional foreign policy in dealing with great powers. 'Iran's foreign policy has historically inclined to adopt a third-party approach. During the reign of Fath-Ali Shah Qajar, when Russia and England had expanded their influence in Iran, he signed an agreement with France. Even in the first years of the Iranian revolution, Iran turned away from Russia and the United States by adopting the slogan of

⁶⁸Hamidreza Azizi, Vali Golmohammadi, Amir Hossein Vazirian, 'Trump's "maximum pressure" and anti-containment in Iran's regional policy', DOMES: Digest of Middle East Studies, Vol. 29, No. 2, pp. 150–166.

⁶⁹The Arab Weekly staff, 'In New Escalation, Iran Plans Permanent Base in Indian Ocean', The Arab weekly, June 23, 2020, <https://theArabweekly.com/new-escalation-iran-plans-permanent-base-indian-ocean>.

⁷⁰Saied Amini, 'Establishing a permanent IRGC base in the Indian Ocean', Anna News Agency, June 24, 2020, <https://ana.press/fa/news/497345/>.

⁷¹Authors' interview with Hossein Alaei, Tehran, October 21, 2021.

⁷²On Iran's presence in faraway waters, see Tasnim staff, 'Iran's Presence in Faraway Waters Sign of Islamic Republic's Might: Navy Commander', Tasnim News Agency, January 27, 2022, <https://www.tasnimnews.com/en/news/2022/01/27/2652087/iran-s-presence-in-faraway-waters-sign-of-islamic-republic-s-might-navy-commander>.

⁷³Alam Saleh, 'The US Cannot Win the Middle East: Six reasons Why', Open Democracy, October 27, 2017, <https://www.opendemocracy.net/en/north-africa-west-asia/us-cannot-win-middle-east-war-military-six-reasons-why/>.

⁷⁴On Iran's pivot to Asia policy, see Ehsan Fallahi, Mohsen Rostami, 'Security Strategy for I.R Iran by Looking at the East Case Study: China and Russia', Security Horizons, Vol. 15, No. 54(Spring 2022), pp. 177–217.

"Neither East nor West", but in order to create a balance and guarantee its interests, it decided to expand relations with Europe and Japan'.⁷⁵

The lengthy and costly Middle East conflicts over the past three decades have frustrated and undermined the US's ability to spend public revenues on the Middle East's security and stability, revenues that other global powers were benefiting from as a free rider.⁷⁶ In these challenging circumstances, Washington, to reduce its role whilst simultaneously maintaining a relative balance in the region, sought to increase the involvement of regional powers such as Saudi Arabia and Israel, to check Iran's rise in power.⁷⁷ Iran is now inviting China to maintain the regional power balance while the US is reducing its presence in the region. As Sajjadpour highlights, Iran has two key geopolitical interests: survival and the protection of territorial integrity. Sajjadpour adds: 'to protect these interests, Tehran needs to adopt a complex foreign policy agenda, consisting of a web of multilateral relations with all major powers. The growth of comprehensive strategic relations with China should be understood within this broader context'.⁷⁸

To widen the geographical war zone in the region, Iran has extended its in-depth security strategy to cover a large area from the Oman Sea to the Mediterranean Sea. Through its proxies and allies, Iran has generated tangible influence in Lebanon, Syria, and Iraq. Iran has also supported and sponsored the Houthis in Yemen in a bid to affect greater control in the Red Sea, the Bab al-Mandab Strait, and the southern border of Saudi Arabia.⁷⁹ By developing the Chabahar and Jask ports, Tehran has also shifted its security remit from being focused on the tense Persian Gulf region to be focused on the Oman Sea. The Islamic Republic, over the past four decades, has experienced or witnessed from further afield several wars in the Persian Gulf. Some of Iran's most strategic ports are located in the Persian Gulf, which are accessible to Saudi Arabia, and the closure of the Strait of Hormuz would have a heavy impact on Iran's oil and goods exports.⁸⁰ Tehran is thus extending its strategic zone of action from the Persian Gulf to the Oman Sea. This shift is intended to enable Iran to evade a highly conflictive zone and focus on a more peaceful and secure zone. It is also intended to allow Iran to bypass the Strait of Hormuz and enable it to gain increased access to the Indo-Pacific region, the much-valued 'deep water'. To maintain its presence in the Mediterranean Sea, Iran has sought Russia's help. To expand its in-depth reach into the Indo-Pacific, Iran needs to get China on board, and China, for its part, needs to develop partnerships in Iran's proximate region.

Nasser Hadian, Professor of International Relations at the University of Tehran, argues that the 25-year agreement between China and Iran constitutes a significant strategic opportunity for Iran as it will encourage Europe and the United States to change their relations with the Republic to prevent Iran from getting ever closer to China (which would potentially create a significantly stronger Iran far more hostile to the West). The new

⁷⁵ Authors' Interview with Alaoddin Vahid Gharavi, Tehran, January 10, 2021.

⁷⁶ Barack Obama, President Barack Obama talks with the Op-Ed columnist Thomas L. Friedman about a wide range of issues at home and abroad, Thomas L. Friedman, August 9, 2014, Opinion | Exclusive Interview: Obama on the World—The New York Times (nytimes.com).

⁷⁷ Yasmine Farouk, 'The Middle East Strategic Alliance Has a Long Way to Go', Carnegie Middle East Center, February 2019, https://carnegieendowment.org/files/2-8_Farouk_MESA.pdf.

⁷⁸ Authors' interview with Seyyed Kazem Sajjadpour, Tehran, February 11, 2021.

⁷⁹ Marc Lynch, 'The New Arab Order: Power and Violence in Today's Middle East', *Foreign Affairs*, September/October 2018, <https://www.foreignaffairs.com/articles/middle-east/2018-08-14/new-arab-order>.

⁸⁰ On strategic importance of the Strait of Hormuz and its impact on Iran's foreign policy, see Yusuf Sayin, Fatih Kilic, 'The Strait of Hormuz and Iran's International relations', *Eurasian Research Journal*, Vol. 2, No.1 (2020), pp. 29–59.

relationship, Hadian argues, will undoubtedly enhance Iran's position in the Middle East and affect changes to its relations with neighbouring states.⁸¹

Bilateral relations and energy

Iranian-Chinese cooperation in the field of energy dates back to the first decennium of 21st when the China National Petrochemical Company (CNPC) and the China Oil and Gas Company (Sinopec) participated for the first time in the process of oil extraction and the development of oil fields in Iran.⁸² Although Iran was subject to widespread international sanctions before the signing of the nuclear deal, Chinese companies continued to cooperate with Iran. This was partly due to the structure of the sanctions and the exceptions in place for Chinese oil companies. When the US withdrew from the JCPOA and imposed unilateral sanctions on Iran, these companies were unable to continue their commitments, hence Chinese companies were inevitably replaced by domestic contractors.⁸³ Given the inclination of various developed countries to increase and invest in the use of renewable energy sources, the possibility of sanctions on Iran's oil industry continuing, and the increase in oil and gas production capacity among suppliers all over the world, Iran seeks to guarantee long-term sales of its energy resources to China. The agreement can save Iran's sanctions-hit, cash-strapped economy by assuring the sale of its oil and gas to China in the long-term. Iran also aims to expand bilateral banking and financial cooperation with China. The first step is to sell crude oil to Beijing, but it is vital to Iran's national interests that China's investment in Iranian oil field development, reservoir equipment, and technology transfer persists.

Examination of the leaked draft of the Iran-China deal⁸⁴ and the executive program of Iran's comprehensive energy plan⁸⁵ reveals that Tehran has three core priorities in its energy cooperation with China:

- (1) To maximize production and exploitation in joint oil and gas fields
- (2) To increase new capacities in the refining and petrochemical sectors
- (3) To cooperate around energy transportation (e.g. developing oil and gas pipelines).⁸⁶

While strategic bilateral relations have ensured China as a regular importer of Iranian crude oil, Iran's expectation is that this will develop the oil and gas industries and attract increased Chinese inward investment. This is arguably inconsistent with the track record

⁸¹ Authors' interview with Nasser Hadian, Tehran, October 4, 2020.

⁸² On CNPC and Sinopec investments in Iran's oil and gas fields, see Zhao Hong, 'China's Dilemma on Iran: between energy security and a responsible rising power', *Journal of Contemporary China*, Vol.23, No. 87 (2014) and John Calabrese, 'China's one Belt, One Road (OBOR) initiative: envisioning Iran's role, in Anoushiravan Ehteshami and Niv Horesh, ed. *China's Presence in the Middle East: the Implications of the One belt, One Road Initiative* (Abingdon: Routledge, 2018) pp. 174–191.

⁸³ 'China boosts crude oil imports from Iran', *Tehran Times*, December 17, 2021, <https://www.tehrantimes.com/news/468142/China-boosts-crude-oil-imports-from-iran>.

⁸⁴ Ministry of Foreign Affairs of the Islamic Republic of Iran, *Final Edition: Comprehensive cooperation program (25 years) between Iran and China* (Tehran: Ministry of Foreign Affairs of the Islamic Republic of Iran, 2020).

⁸⁵ Cabinet office, *the executive program of Iran's comprehensive energy plan*, 6202, Tehran: Cabinet office, April 15, 2020, 6203.pdf (farsnews.ir).

⁸⁶ *Ibid.*

of Chinese FDI policies over the past few years. China's 13th Five-Year Plan⁸⁷ requires the country to distance itself from investing in heavy industries and instead invest in advanced industries such as the new generation of ICTs.⁸⁸

Bilateral infrastructural cooperation: Iran's role in the BRI

Iran seeks to attract Chinese foreign investment to develop its infrastructure. Tehran seeks to join the Belt and Road Initiative (BRI) and become a regional hub to consolidate its position in the regional and international transportation networks. Joining the BRI and becoming a regional hub would help Iran revive its crippled economy. Still, more importantly, it would turn Iran into an undeniable part of the global supply chain. Achieving such a position would immune Iran from further sanctions in the future and might enhance its deterrence. To reach this goal, Iran seeks to advance the following measures:

- 1- Attract Chinese foreign investment to develop the south of the Sistan and Baluchestan provinces (the Makran area).⁸⁹

As such, Iran aims to develop and equip the Jask port with the help of China to turn it into a strategic terminal for Iranian oil exports.⁹⁰ The Goreh-Jask oil pipeline project was inaugurated in 2021. This 1,000 km-long pipeline has the capacity to transport 300,000 barrels of oil per day.⁹¹ Increasing the capacity of this pipeline and developing the port of Jask may provide an alternative route for energy transmission and reduce Iranian tankers' need to cross the Persian Gulf and the Strait of Hormuz.⁹² This is of great importance for Iran because of the heavy US naval presence in the Persian Gulf. It would also augment the credibility of Iran's long-lasting threat to close the Strait of Hormuz under certain circumstances.⁹³

- 2- Connect the Pakistan-Iran-Turkey (ITI) transit corridor to the China-Pakistan economic corridor.

The ITI corridor was launched in 2009 within the framework of the Economic Cooperation Organization (ECO), but it was halted due to technical problems.⁹⁴ Finally, at the end of 2021, the ITI corridor resumed operation again.⁹⁵ Compared to maritime routes, using the

⁸⁷Central Committee of the Communist Party of China, *The Outline of the 14th Five-Year Plan for Economic and Social Development and Long-Range Objectives through the Year 2035 of the People's Republic of China*, Central Compilation & Translation Press, 2021, https://www.fujian.gov.cn/english/news/202108/t20210809_5665713.htm.

⁸⁸OECD (2018), *OECD Business and Finance Outlook 2018*, OECD Publishing, Paris, *OECD Business and Finance Outlook 2018 | OECD Business and Finance Outlook | OECD iLibrary (oecd-ilibrary.org)*.

⁸⁹Ministry of Foreign Affairs of the Islamic Republic of Iran, *Final Edition: Comprehensive cooperation program (25 years) between Iran and China* (Tehran: Ministry of Foreign Affairs of the Islamic Republic of Iran, 2020).

⁹⁰Alam Saleh, Zakiyeh Yazdanshenas, 'America's Role in Crafting Middle East Security Architecture', *The National Interest*, August 29, 2020, <https://nationalinterest.org/feature/america%E2%80%99s-role-crafting-middle-east-security-architecture-168010>.

⁹¹IRNA staff, 'Rouhani Inaugurates Goreh-Jask Crude Oil Transfer Project', *Islamic Republic News Agency*, July 22, 2021, <https://en.irna.ir/news/84412967/Rouhani-inaugurates-Goreh-Jask-crude-oil-transfer-project>.

⁹²Aljazeera staff, 'Iran opens oil terminal to bypass strategic Strait of Hormuz', *Aljazeera*, July 22, 2021, accessed 12, 1, 2022, <https://www.aljazeera.com/news/2021/7/22/iran-opens-oil-terminal-to-bypass-strategic-strait-of-hormuz>.

⁹³Abdolrasool Divsallar (2022) *Shifting Threats and Strategic Adjustment in Iran's Foreign Policy: The case of Strait of Hormuz*, *British Journal of Middle Eastern Studies*, 49:5, pp. 873–895.

⁹⁴Nikos Papatolios, 'ITI corridor to assume services as part of New Silk Road', *RailFreight.com*, January 19, 2021, <https://www.railfreight.com/beltandroad/2021/01/19/iti-corridor-to-assume-services-as-part-of-new-silk-road/?gdpr=deny>.

⁹⁵Iran staff, 'Revival of ITI corridor, Pakistani trucks reach Turkey via Iran', *Islamic Republic News Agency*, October 9, 2021, <https://en.irna.ir/news/84497800/Revival-of-ITI-corridor-Pakistani-trucks-reach-Turkey-via-Iran>.

ITI railway corridor can reduce travel time by half (11.5 days). About 2,600 km of this railway route passes through Iran. Connecting the ITI to the China-Pakistan economic corridor, to date the most advanced corridor of the BRI, would embed Iran in the Chinese BRI mega project and help Tehran to prevent Turkey from bypassing Iran, which would weaken its geostrategic position by operationalizing the Trans-Caspian East-West-Middle corridor.⁹⁶

3- Construct the pilgrimage railway corridor.⁹⁷

The main purpose of this corridor is to connect Pakistan by rail to Iraq and Syria via Iran. Operationalization of the pilgrimage corridor and its connection to the China-Pakistan economic corridor would significantly strengthen Iran's geostrategic position. The pilgrimage corridor could highlight Iran's role in another critical corridor of the BRI, the China-Central Asia-West Asia corridor. It would expand Iran's regional influence across the Middle East. The first step that Iran is taking to achieve this goal is the completion of a 35 km railway line connecting Shalamcheh in the southwest of Iran to Basra in Iraq.⁹⁸

China's grand strategy and the importance of the Middle East to Chinese foreign policy

Xi Jinping, since assuming power in 2013, has continued China's post-Cold War grand strategy of rejuvenation, albeit via a combination of existing and new policies. Assessing China's increased power and wealth since the 2008 financial crisis, upon gaining power Xi posited that it was time to distance the country from its previously low-profile international approach. China's rise, he argued, had radically changed the security environment and aroused rival state and neighbouring state concerns of the threat posed by an increasingly powerful China. In a report to the 19th Chinese Communist Party National Congress, Xi emphasized the fact that China has entered a new era defined by altered power distribution and global multipolarity. He focused on China's ability to play a more decisive role on the world stage.⁹⁹

Changes in the fundamental structure of the international system, have persuaded major powers in the West to pay greater attention to East Asia in their foreign policies. China has reached the conclusion that it should not limit itself to the Asia-Pacific region and dealing with regional rivals. Rather, Beijing should march westwards. Contrary to the common belief that becoming a global power requires reaching supremacy in one's own region as a first step, China does not see gaining supremacy in its core region as a precondition for moving into its peripheral regions. Unlike East Asia and Europe, Central and West Asia do not have any US-led military alliance mechanisms in place, and they have not yet moved towards centralized economic integration. These regions

⁹⁶On Turkey's Middle Corridor, see M Sait Akman, 'Turkey's Middle Corridor and Belt and Road initiative: Coherent or Conflicting?', Italian Institute for International Political Studies 28 November, 2019 <https://www.ispionline.it/en/publication/turkeys-middle-corridor-and-belt-and-road-initiative-coherent-or-conflicting-24526>.

⁹⁷Ministry of Foreign Affairs of the Islamic Republic of Iran, *Final Edition: Comprehensive cooperation program (25 years) between Iran and China* (Tehran: Ministry of Foreign Affairs of the Islamic Republic of Iran, 2020).

⁹⁸Ali Ziyae, Common transit interests in 'One Belt One Road'/Using China's investment capacity in the Tehran-Mediterranean corridor, Saeed Moazeni, Fars news agency, April 6, 2021, <https://www.farsnews.ir/news/14000114000710/%D9%85>.

⁹⁹Michael D. Swaine, 'Chinese Views of Foreign Policy in the 19th Party Congress', Hoover Institution, January 23, 2018, <https://www.hoover.org/research/chinese-views-foreign-policy-19th-party-congress>.

comprise vacuums that China can use to its economic and political advantage by exploiting them in an era of intensifying intergovernmental competition. At the centre of the Chinese westward strategy is the Belt and Road Initiative.¹⁰⁰

Since 2013, China has made BRI the crux of its foreign policy. Beijing is pursuing the initiative for various reasons. In addition to formal rationale,¹⁰¹ various latent motivations underpin China's pursuit of this mega project. Huge infrastructure investments in Eurasia will help China to sell its surplus production and guarantee its economic growth (which is the main pillar of CCP legitimacy). The BRI is the most notable instrument Xi has adopted in pursuing China's interests in an evolving security environment. It is purported to be able to expand Beijing's influence and footprint by focusing greater attention westwards. It will, the CCP believes, help China to achieve the status of a great and transcontinental power.

The Middle East and its role in China's Westwards foreign policy

China's strategy in the Middle East is implemented via two core policy approaches: firstly, China seeks to generate balanced and sustainable relations with all Middle Eastern countries, especially major powers in the Persian Gulf region. Beijing has built on strategic relations with these states by adopting a development-oriented logic and it has been able to avoid engaging in political conflicts between and among different countries. Ensuring China's national security interests in the Persian Gulf are served requires maximum avoidance of becoming enmeshed in the regional rivalry between Saudi Arabia and Iran.¹⁰²

The Saudi-Iran deal brokered this year is a profoundly significant development, in itself but also because of Beijing's importance as the two parties' facilitator. China's instrumental role as the mediator has clear implications for the Middle East's regional security architecture, and will likely entail as-yet unforeseen but paradigmatic changes to the internal power dynamics of the region. The deal crystallizes China's position as a global power capable of exacting significant influence across the Middle East. It reflects the ongoing decline of US power in the region and signals that China may be a powerful mediator in the Middle East moving forwards, enhancing China's reputation as a partner with the states in the region and showing Beijing to be a reliable and effective source of external support. The deal paves the way for Iran to normalize its relationships with other Arab countries such as Egypt, Bahrain, and Jordan, which has the potential to spur the realization of a 'Westless' Middle East. China has explicitly demonstrated that the region's issues can at times be resolved through diplomatic means, contrary to the US's largely ineffective strategy of pursuing wars, imposing sanctions and political pressure, and providing contingent military aid to allies.¹⁰³

¹⁰⁰Wang Jisi, 'Marching Westwards: The Rebalancing of China's Geostrategy', in Shao Binon, ed., *The World in 2020 according to China: Chinese foreign policy elites discuss emerging trends in international politics*, (Leiden: Brill, 2014) pp. 129–136.

¹⁰¹The State Council of the People's Republic of China, *Full text of the Vision for Maritime Cooperation under the Belt and Road Initiative*, June 20, 2017.

¹⁰²On China's balanced strategy in the Persian Gulf see Jeremy Garlick, Radka Havlova, 'China's "Belt and Road" Economic Diplomacy in the Persian Gulf', *Journal of Current Chinese Affairs*, 2020, Vol.49, No.1(2020), pp: 97–99.

¹⁰³Zakiyeh Yazdanshenas, Alam Saleh, 'Iranian-Saudi detente and "Asianization" of the Persian Gulf: China fills the gap', Middle East Institute, April 05, 2023, <https://www.mei.edu/publications/iranian-saudi-detente-and-asianization-persian-gulf-china-fills-gap>.

China's relations with the Middle Eastern countries have been defined and promoted in the framework of partnership diplomacy. So far, China has signed partnership agreements with 13 countries in the region. Among these, five agreements under the title of 'comprehensive strategic partnership' and eight agreements under the title of 'strategic partnership' have been signed. It is worth noting that China has only defined its relationship with those regional countries at the level of comprehensive strategic partnership, which it sees as the most important powers in the region in shaping regional dynamics and securing its interests. These countries include Saudi Arabia, United Arab Emirates, Algeria, Egypt, and Iran. This combination shows that the weight of China's policy in the Middle East is more towards the Persian Gulf.¹⁰⁴

In the Persian Gulf China is now in a sweet spot, in the sense that it has developed comprehensive strategic partnership with Iran, Saudi Arabia and UAE simultaneously.¹⁰⁵ Beijing relations with Arab side of the Persian Gulf has already been activated and implemented due to initiatives like industrial park-port interconnection and two-wheel, two-wing approach both introduced in 2018 as fundamental principles for China's investment in Arab countries of the region. These initiatives help China to connect supply chains and business clusters in the Persian Gulf to the international waters in a way that could guarantee its commercial interests.¹⁰⁶ Meanwhile, Iran has not been able to attract Chinese FDI due to the reimposition of sanctions against Iran after Trump administration withdrew from the nuclear deal.

However, this does not mean that China would prioritize Arab countries of the Gulf over Iran in the long run. Tehran and Beijing have agreed upon a multi-dimensional 25-year deal, and both are aware of the fact that some aspects of the deal would be future-oriented. Besides, UAE and Saudi Arabia are in the elementary stages of shaping their independent security policy. For example, Saudi Arabia has started manufacturing its own ballistic missiles¹⁰⁷ and UAE has allowed Beijing to develop a military facility at an Emirati seaport despite US clear objection.¹⁰⁸ They have been situated under the US security umbrella until very recently, and they have just started defining their security agencies. In this regard, Iran is far ahead of the Arab countries of the Persian Gulf due to its endeavour to elaborate its defensive doctrine independently after the Islamic Revolution in 1979. This feature gives Iran the upper hand over the Arab countries of the region in long term and especially in the case China- US tensions intensify.

Although more than a decade of sanctions has not allowed the bilateral relations between Iran and China to grow as much as the relations between China and the Arab countries of the Persian Gulf in the economic and commercial realms, Iran has

¹⁰⁴ Jonathan Fulton, 'China's Changing Role in the Middle East', Atlantic Council, Rafik Hariri Center for the Middle East, June 2019, https://www.atlanticcouncil.org/wpcontent/uploads/2019/06/Chinas_Changing_Role_in_the_Middle_East.pdf.

¹⁰⁵ Interview with Bilahari Kausikan, 'The Middle East in a Multipolar World', John Alterman 08 February 2023 Middle East Institute in National University of Singapore, <https://mei.nus.edu.sg/publication/the-middle-east-in-a-multipolar-world/>.

¹⁰⁶ Jonathan Fulton, 'China between Iran and the Gulf Monarchies', Middle East Policy, Vol. 28, No.3-4 (2021) pp. 214-215.

¹⁰⁷ Zachary Cohen, CNN Exclusive: US Intel and Satellite Image Show Saudi Arabia is Now Building its own Ballistic Missiles with Help of China, December 23, 2021, CNN, <https://edition.cnn.com/2021/12/23/politics/saudi-ballistic-missiles-china/index.html>.

¹⁰⁸ Gordon Lubold, Warren P. Strobel, Secret Chinese Port Project in Persian Gulf Rattles U.S. Relations With U.A.E. November 19, 2021, Washington post, <https://www.wsj.com/articles/us-china-uae-military-11637274224>. also see: John Hudson, Ellen Nakashima and Liz Sly, Buildup Resumed at Suspected Chinese Military Site in UAE, Leak Says, April 26, 2023, <https://www.washingtonpost.com/national-security/2023/04/26/chinese-military-base-uae/>.

advantages for China that its southern Arab neighbours cannot provide. First, Iran places behind Russia with the second largest gas reserves worldwide, as it enjoys more than 17% of world's total natural gas reserves.¹⁰⁹ Second, Iran has not been able to attract foreign direct investment in recent years to develop its energy and transportation infrastructures. This means that Iran is an untapped opportunity for Chinese companies. Third, due to its large population, Iran is a potential market with ample opportunities for China's export-oriented economy. Fourth, Iran's geographical features compared to the Arab countries of the region highlighted its position in the development of BRI, and last but not least, both countries have a similar anti-hegemonic narrative that should not be underestimated.¹¹⁰

For its second approach, China seeks to balance and check US influence- rather than its power- in the Middle East without engaging in military measures or the deployment of troops in the region. This policy decision has been reinforced by the intensification of Sino-US competition in recent years.¹¹¹ In this regard, on the one hand, Beijing aims to strengthen its relations with countries in the region that are not US allies. This is a great opportunity Iran tries to seize. On the other hand, Beijing attempts to exploit voids created by declining US involvement in the Middle East, widening the gap between Washington and the regional partners. China considers the US network of allies and partners to be a threat so it currently seizes upon any opportunity that emerges to weaken it.

The Iran-China comprehensive strategic partnership and China's objectives

Although China had signed similar agreements with other regional players, including Saudi Arabia, what distinguishes China's partnership with Iran is the distinctly anti-American nature of the relationship, Iran's political independence from other great powers, and Iran's urgent need for Chinese political and economic support in its explicit confrontation with the West. China views Iran as a balancing mechanism in the Middle East. Tehran and Beijing have developed their partnership to a new strategic level based on shared national and international interests and perspectives. Nevertheless, this does not imply that a symmetrical relationship is going to be shaped. After all, China is now recognized as a great global power, whereas Iran as a regional power is still considered as part of the periphery. While benefiting by exploiting Iran's role as an instrument for ensuring a power balance, China can simultaneously avoid direct confrontation with the United States in the region.¹¹² China does not have the military capacity needed to expand its footprint in the Persian Gulf, and this informs Chinese dependence on Iran as a regional partner.

Nevertheless, one of Iran's features that makes the agreement valuable for China is Iran's ability to restrict US power projection in the Persian Gulf. The unique geographic characteristics of the Persian Gulf and Iran's weakness in a direct military confrontation

¹⁰⁹Worldometer, Iran Natural Gas, <https://www.worldometers.info/gas/iran-natural-gas/>.

¹¹⁰Benjamin Houghton, 'China's Balancing Strategy between Saudi Arabia and Iran: The View from Riyadh', *Asian Affairs*, vol. 53, No. 1 (2022) pp. 140–141.

¹¹¹Andrea Ghiselli, Maria Grazia Erika Giuffrida, Chin as an Offshore Balancer in the Middle East and North Africa, *RUSI Journal*, Vol. 165, No. 7(2020). PP. 10–20.

¹¹²Markey, *China's Western Horizon: Beijing and the New Geopolitics of Eurasia*, p. 129.

with the US have led it to develop A2/AD capabilities.¹¹³ China is also developing sophisticated A2/AD capabilities including but not limited to ballistic missiles, strike aircraft, cruise missiles, and submarines armed with anti-ship cruise missiles.

While Iran's A2/AD capabilities are not compatible, they have a shared vision. Both are designed to impose heavy costs on US military forces in different domains and limit US power projection. The China- Iran strategic partnership would provide China with ample opportunity to rely on Iran's A2/AD capabilities in case tensions between Washington and Beijing intensified significantly and China decides to limit US power projection in the Persian Gulf.

Both Beijing and Tehran share a strategic plan to undermine US global hegemony, and both have encountered tensions, and pressures originating from Washington. A relatively strong and independent Iran in the Persian Gulf would help China not only to ensure its interests in the region, but also to guarantee its energy security and embed its footprint in the Middle East. Although, partly due to US sanctions, Iran has a smaller share of China's import market when contrasted with other regional actors such as Saudi Arabia, Iran has 25% of the Middle East's oil reserves and 12% of global reserves,¹¹⁴ and by utilizing this resource it can gain a greater share of China's energy imports.

China's energy policy has changed notably in recent years, with Chinese officials focusing on signing long-term contracts and diversifying energy sources instead of relying solely on crude oil spot trading.¹¹⁵ An important aspect of the 25-year agreement between Iran and China pertains to bilateral cooperation in the field of energy.¹¹⁶ Unlike other Persian Gulf states, Iran enjoys political non-alignment with western powers and it can unilaterally pick and choose its export partners. Beijing is evidently confident that Iran will not support Xinjiang separatists, which strengthens the perception of Tehran as a sustainable and reliable energy supplier. Marandi highlights that Iran, unlike Saudi Arabia and the United Arab Emirates (China's other regional partners), does *not* promote *Takfiri* ideology. He adds: 'In addition to providing China with a vast potential market, Iran has significant influence in the region, and its close relations in Syria, Iraq, Lebanon, and Yemen are of great importance for China'. Marandi explains that Iranian high-ranking policymakers have reached a consensus on the necessity of a 'Look East' policy, though according to him, four years ago policymakers were highly divided on the potential benefits of such a strategy.¹¹⁷

The strategic partnership between China and Iran can enable Beijing to achieve relative energy security. The Persian Gulf supplies more than half of China's energy. Iran has control over the strategic Strait of Hormuz connecting the Persian Gulf to the Gulf of Oman, and from there on to the Arabian Sea. The strategic partnership thus enables freedom of navigation through the Persian Gulf, and China can better pursue diversification of energy sources. China fears that as trade wars with the US

¹¹³On Iran's A2/AD capabilities, see Mark Gunzinger, Christopher Dougherty, 'Outside-In: Operating from Range to Defeat Iran's Anti-Access and Area-Denial Threats', Center for Strategic and Budgetary Assessments, 2011.

¹¹⁴U.S. Energy Information Administration, Country Analysis Executive Summary: Iran, (Washington D.C: U.S. Energy Information Administration, 2021) https://www.eia.gov/international/content/analysis/countries_long/iran/pdf/iran_exe.pdf.

¹¹⁵On China's evolving energy policy, see Laetitia Guilhot, 'An analysis of China's energy policy from 1981 to 2020: Transitioning towards a diversified and low-carbon energy system', Energy Policy, Vol. 162 (Spring 2022).

¹¹⁶Ministry of Foreign Affairs of the Islamic Republic of Iran, *Final Edition: Comprehensive cooperation program (25 years) between Iran and China* (Tehran: Ministry of Foreign Affairs of the Islamic Republic of Iran, 2020).

¹¹⁷Authors' Interview with Seyyed Mohammad Marandi, Tehran, February 17, 2021.

intensify, the United States may pressure the UAE and Saudi Arabia to reduce their oil supply to Beijing. According to Khoshroo Iran is the only country in the Middle East that does not avoid selling oil to China if requested by the US, and this makes the relationship with Iran strategic for China too.¹¹⁸ In this regard, at the end of recent president Raisi's visit to Beijing, two countries released a joint statement according to it, the Chinese side has appreciated Iran's important role in maintaining global energy security.¹¹⁹ The comprehensive strategic partnership with Iran thus comprises a hedge and insurance policy that can provide China with discounted, and largely secured, energy for growth.¹²⁰

Iran's importance to China does, however, go beyond the supply of energy. According to Haidian Beijing believes that Tehran is a strategically important country that can play a constructive role in maintaining stability in the region. 'China knows that countries such as Saudi Arabia, the UAE, Jordan and Kuwait are *de jure* and *de facto* in the US sphere of influence, but Iran and its allies are not'.¹²¹ China views Iran as a vehicle to counter US influence in the region.¹²² Unlike the United States, China does not seek to delegitimize Iran's regional role and it recognizes Iran's interests in the Middle East, Shariatinia states that: 'Beijing wants a balance of power in the Middle East and, contrary to Washington, views Iran as a critical pillar of stability in the region, whilst remaining cautious of transforming Iran into a regional hegemon itself'.¹²³

Iran's geostrategic position is crucial in China's motivation to build on its partnership with Tehran. Iran is located at the centre of one of the six land-based corridors of the BRI, namely the *China-Central Asia-West Asia corridor*. Iran can potentially link with the China-Pakistan Economic Corridor as Pakistan's neighbour.¹²⁴ This corridor is significantly more developed than other corridors in the BRI. Islamabad and Beijing have close relations, defined as an 'all-weather strategic cooperative partnership'.¹²⁵ The Comprehensive Strategic Partnership agreement between Iran and China has provided the potential for Pakistan to play an intermediary role between Iran and China in the transmission of energy resources, thus amplifying Iran's geostrategic importance. Although it is yet to be planned, if the proposed oil and gas pipelines from Gwadar and Iran to Kashgar in Xinjiang across Pakistan¹²⁶ implement, China would have achieved a secure route for transferring energy on a large scale. Meanwhile, it is worth mentioning that complex logistical difficulties like mountainous terrain, high altitude, and border disputes between

¹¹⁸Authors' interview with Gholam Ali Khoshroo, Tehran, September 02, 2021.

¹¹⁹Presidential website, Emphasised in the joint statement of Iran and China; Importance of close relations between the leaders of Iran and China in deepening comprehensive strategic partnership/Firm support for national sovereignty, territorial integrity, national honour of the parties, Feb 2023, <https://www.president.ir/en/142506>.

¹²⁰Alam Saleh, Zakiyeh Yazdanshenas, "Iran's Pact with China Is Bad news for the West," *Foreign Policy*, August 9, 2020, <https://foreignpolicy.com/2020/08/09/irans-pact-with-china-is-bad-news-for-the-west/>.

¹²¹Authors' interview with Nasser Hadian, Tehran, October 4, 2020.

¹²²Gangzheng She, 'Asymmetric Competition on a New Battleground? Middle Eastern Perspective on Sino-US Rivalry', *The Chinese Journal of International Politics*, Vol.14, No.2 (2021), p. 291.

¹²³Authors' interview with Mohsen Shariatinia, Tehran, January 29, 2022.

¹²⁴Muhammad Tayyab Safdar, Joshua Zabin, 'What Does the China-Iran Deal Mean for the China-Pakistan Economic Corridor?' *The Diplomat*, August 14, 2020, <https://thediplomat.com/2020/08/what-does-the-china-iran-deal-mean-for-the-china-pakistan-economic-corridor/>.

¹²⁵On China's different partnership agreements, see Quan, Min, *China's emerging partnership network: What, Who, Where, When and Why* China's emerging partnership network: What, Who, Where, When and Why, p.70.

¹²⁶Dildar A. Chohan, Amir A. Chandio, 'Gwadar Port Economic Zone with Especial Reference to US and Indian Reservations on the Regional Part of South Asia', *Journal of South Asian Studies*, Vol.09, No.02(2021)p.103.

New Delhi and Islam Abad make the implementation of Kashgar- Gwadar oil and gas pipelines project not a viable option, at least for the foreseeable future.¹²⁷

Regional and inter-regional implications of closer Chinese-Iranian ties

Sino-Iranian strategic alignment suggests that security and perceptions of threat will be changed in the near future, and new patterns of partnership will reshape the geopolitics of the region.

The Chinese-Iranian strategic partnership will also impact neighbouring regions, particularly South Asia. In 2016, India and Iran signed an agreement to invest in Iran's strategic Chabahar port and construct a railway connecting the southeastern port city of Chabahar to the eastern city of Zahedan, linking India to landlocked Afghanistan and Central Asia.¹²⁸ Iran is however accusing India of delaying its investments due to US pressure, and Tehran has pressured India to back the project. While Iranian officials have refused to link India's withdrawal from the Chabahar-Zahedan project with the establishment of the new 25-year deal with China, it seems that India's close ties to Washington have partially informed the decision to enter the Sino-Iranian partnership. Prioritizing China over India on such an important strategic project will affect changes in the balance of power in South Asia, to the detriment of New Delhi. China now has the chance to connect the Chabahar port to Gwadar, which is a critical hub in the BRI program, strengthening China's 'string of pearls' and weakening India's strategic plans.

As such, the new China-Iran partnership will ultimately undermine India's interests in the region, particularly if Pakistan is intimately integrated into the relationship. Iran's proposal to expand the existing China-Pakistan Economic Corridor (CPEC+) along its northern, western, and southern axes, and its ambition to link the Gwadar port in Pakistan to Chabahar and then to Europe and Central Asia via a rail network, now look more feasible. If these plans are realized, a 'golden ring' – encompassing China, Pakistan, Iran, Russia, and Turkey—will become the characteristic contour of the BRI, linking China to Iran and onwards to Central Asia, the Caspian Sea, and the Mediterranean Sea.¹²⁹

Conclusion

The China- Iran strategic agreement, while it seems similar to other partnership programs between China and developing countries, it has subtle differences that can directly affect the regional order of the Persian Gulf and the networks of friendship and enmity in the region and beyond. In this article, we have argued that the fundamental logic driving Tehran-Beijing strategic closeness is opposition to American hegemony and their shared belief in the decline of US relative power regionally and globally. As such, the 'Look to the East Policy' further consolidates the deep pluralism theory.

¹²⁷Jeremy Garlick, *The Impact of China's Belt and Road Initiative from Asia to Europe* (New York: Routledge,2020) pp.152–153.

¹²⁸On India's investment and interests in Chabahar, see Harsh V. Pant, Ketan Mehta, 'India in Chabahar', *Asian Survey*, Vol. 58, No. 4(Summer 2018) pp. 660–678.

¹²⁹Vikas Shukla, 'China, Russia, Iran, Pakistan and Turkey Axis Is Becoming Reality', Insider paper, July 17, 2020, <https://insiderpaper.com/china-russia-iran-pakistan-turkey-axis/>.

The 'Look to the East Policy' was first proposed during Ahmadinejad's presidency. However, examining developments in Iran's grand strategy during the last decade shows that Iranian officials now view the eastern pivot through a whole different lens compared to what was proposed before. Currently, Iran sees China as a rising power and the US as a declining one and has chosen to stand on the side of the rising power, hoping that the new superpower will recognize Iran's regional role and would not follow a containment strategy against Tehran as the US does.

Admitting Iran's regional power and allowing it to play a role commensurate with its power in the region also serves China's interests. After 2008, China gradually distanced from the strategy of the peaceful rise and since Xi Jinping came to power in 2013, Beijing chose a more active strategy aimed at altering the world order. Considering the growing power of Iran in the Middle East during the last two decades and the intense antagonism between Iran and the US, Iran can be a reliable partner for China to advance its goals in the Persian Gulf and beyond. China's March West policy emphasizes that China, as a rising power, does not need to focus only on challenging the United States in its preferred region, the Indo-Pacific. The multi-dimensional Tehran-China strategic partnership would implicitly serve China's goal of restricting US power projection in the Persian Gulf, Arabian Gulf, and even in the Indian Ocean.

The future of the Beijing-Tehran mutual relationship will depend to a great extent on the power competition between China and the United States and the path China takes to increase its power. What seems to be the case now is that the importance of this relationship will increase over time, and in years to come, mutual relations will remain at the strategic level.

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