An Investigation into the Stability of the Strategic Ties between Iran and China as two Asian Superpowers

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ABSTRACT: China and Iran are important geopolitical actors as well as major players in the global energy market. [1] In recent years, the Sino-Iranian relationship has broadened and deepened. In recent years, China’s official position towards the Middle East is that it has intrinsic strategic interest there. [2] The Chinese definition of “strategic” in this instance, however, is a rather narrow description of what its interests really entail regarding Iran. China’s relations with Iran have been strongly influenced by its overall strategic calculations and the Chinese have often used their relations with Iran in terms of leverage, punishment, or balancing in its other strategic dealings. There are certain notable similarities between China and Iran with regard to the political milieu in which the relationship takes place. From a political standpoint, both countries’ leaders have the same paramount objective: regime survival. In China’s case, this means the continued rule of a “permanent party”; for Iran, it refers to the power of the “clerical security establishment.” For both, regime survival depends on economic prosperity, which depends largely on energy: China must secure enough energy to fuel rapid economic growth, and Iran must find a market for its abundant energy resources. The two countries are also similar in that both are aspiring powers: China aspires to become a world power, while Iran aspires to be the predominant player in its region. The development of Sino-Iranian relations over the past two decades is part of the steady expansion of ties between China and the wider Middle East, and more broadly, between the countries of East and West Asia. At the same time, the Sino-Iranian relationship has distinctive origins and characteristics, not to mention potentially far-reaching implications. Yet this relationship is poorly understood and very little has been written specifically about China and Iran. [3] The present paper attempts at investigating the stability of the strategic ties between Iran and China as two Asian superpowers.

KEYWORDS: Iran, China, Strategic Relations, Superpowers

1. INTRODUCTION

Iran-China relations spring from deep historical roots. China and Iran are the heirs to two great civilizations and centers of empire. During pre-Islamic times, Han envoys established
contacts with the Parthians and later the Sassanid’s, laying the foundation for lucrative commercial ties between China and Persia. In Islamic times, the Silk Road served as the main thoroughfare through which Sino-Iranian cultural and trade relations flourished. A warming trend in Sino-Iranian relations began in the mid-1960s, against the backdrop of the Sino-Soviet split and incipient détente between the United States and Soviet Union. During this period, Beijing’s outreach to Asian and African countries intensified. Meanwhile, the Shah sought to gain a greater degree of independence from the superpower rivalry by developing a wide array of external relationships. The major turning point in Sino-Iranian relations came in 1971 with the Shah’s decision to recognize Beijing as the sole legal government of China, leading to the establishment of diplomatic relations. [4] Hereafter, Iranian and Chinese interests began to converge, with Moscow emerging as a common enemy. [5] China increasingly viewed Iran as a bulwark against Soviet ambitions in the Persian Gulf. The Shah of Iran, for his own purposes, willingly assumed this role. And for a time, China and Iran shared with each other, and with the United States, the strategic aim of countering the Soviet Union. During the 1970s, Sino-Iranian economic relations expanded but at a moderate pace. Trade climbed steadily, and Iran offered modest amounts of development assistance to China. [6] The Sino-Iranian commercial relationship progressed in spite of the two countries’ sharply diverging domestic political orientations. Nonetheless, the arms sales dimension of the relationship placed it squarely at the center of regional and global geopolitics. Here, the United States was the key actor, intent on isolating Iran and blunting the power of the Islamic revolution on the one hand, and seeking to prevent Beijing from establishing a foothold in the Middle East and from subverting U.S. non-proliferation goals on the other. More recently, from the Chinese vantage point, Iran’s loosening of restrictions to attract foreign capital, coupled with the consolidation of political power by the Conservative faction has been encouraging insofar as it indicates political stability and commercial access. At the same time, however, the nuclear issue has presented the most serious test of the resiliency of Sino-Iranian relations. But before considering this matter, it is first necessary to examine the scale and scope of Sino-Iranian relations.

2. IRAN-CHINA STRATEGIC RELATIONS

Iran stands out prominently as the largest and most populous Islamic nation in the oil-rich region of Western Asia. The country possesses major attributes of a regional power in Western
Asia by virtue of its geo-strategic location, geographical land mass and human resources. Iran’s geo-strategic location draws significant attention from all major powers. It has an appreciably long coastline on the North Arabian Sea and it dominates the entire eastern flank of the Persian Gulf. It has long borders with Iraq, Turkey, Afghanistan and Pakistan. It also borders on the residual republics of the former Soviet Union. In the North, Iran also has a coastline on the Caspian Sea and it shares borders with the republics in the Central Asian region Iran’s geo-strategic location and its potential as a regional power led to the US building it into one of the “strategic pillars” of the American grand strategy in Western Asia in the 1970s. However, the ouster of the Shah in 1979 and the Iranian hostage crisis which ensued led to Iran figuring significantly as a “strategic threat.” The US allegedly gave Saddam Hussein the green light for attacking Iran and supported Iraq during the Iran-Iraq war. In April 1995, a total embargo on dealings with Iran by the US companies was imposed by President Clinton. On January 29th, 2002, President Bush gave his “Axis of evil” speech, describing Iran, along with North Korea and Iraq, as an “axis of evil” which support terrorism. The military implementation of the Bush administration’s unilateralist foreign policy is creating monumental changes in the world’s geostrategic alliances. The most significant of these changes is the formation of a new triangle comprised of China, Iran and Russia.

Professor M. Ehsan Ahrari argues that Iran, China, and Russia are building closer ties to offset the geopolitical dominance of the US. Russia and China have moved to counter the containment of Iran by the US. One example is in Russia supplying nuclear and missile technology to Iran. The three countries seek the construction of a multi-polar international system. Central to this arrangement is the control of oil and gas resources, such as those in the Caspian Sea region and in the Middle East. In their competing with the US in the world system, Tehran is more aggressive toward the US than Beijing and Moscow are.

On China’s side, the Middle East is a region with significant geostrategic importance for the entire global political balance. China will play an increasing role on the global scene, and therefore it needs to reinforce its presence in the regions that are fundamental for the overall fate of the global political balance. On this chessboard, China could have an important role in terms of economic, strategic and ideological influence. Beijing, therefore, is trying to strengthen its ties with those regional powers that represent an opportunity for entering into the regional political balance. Iran is the main target of such a strategy. Iran is emerging as a new regional power and it is playing a lead role in the Middle East’s diplomatic balance. Moreover, in a period in which world energy markets highlight the increasing dependence of industrial powers
on petroleum prices, Tehran has an important instrument of geopolitical pressure through its status as a major oil producer and its control of the Strait of Hormuz. Moreover, China wants to reinforce its relations with Iran and to strengthen its presence in Central Asia with the goal of reaching the energy resources of the Caspian Sea region; tapping Caspian energy would help China lessen its dependence on maritime oil imports from the Arab countries of the Persian Gulf, thus better securing an uninterrupted flow of oil.

3. THE PROCEDURE AND CHINA’S UNDENIABLE ROLE

China’s stance toward Iran is driven by several very important interests. Front and center among these are two critical strategic imperatives that exist in considerable tension with one another. On the one hand, Beijing wants to strengthen its political and economic ties with all the key powers in the Middle East, including Iran. This is deemed essential for both broad geostrategic reasons (i.e., to maintain influence in a nearby region of great importance to the United States and other major powers), and for narrower economic reasons (i.e., to address China’s growing need for foreign imports of critical energy supplies and to protect an expanding market for Chinese exports). More broadly, this interest is in line with China’s overall strategic desire to maintain amicable and productive ties with all major regions and powers, viewed as critical for the maintenance of a generally peaceful, non-threatening international environment conducive to high rates of Chinese economic growth [7]. The maintenance of good relations with Iran is viewed as particularly essential to the advancement of these Chinese interests in the Middle East. From a geostrategic perspective, as a large country linking Central Asia and the Middle East, with huge energy supplies, a well-educated public, and an ambitious political leadership possessing regional aspirations, Iran is viewed by Beijing as a rising power with considerable potential influence over the future political makeup and orientation of a vast area of critical importance to China. Of particular significance from a strategic perspective, given its existing policies, Iran stands as a potential counterweight to excessive U.S. influence in the Middle East, a check on U.S. unilateralism on various issues relevant to the region, and a possible source of leverage in support of Chinese interests vis-à-vis other regional powers such as Saudi Arabia and Israel. In other words, Beijing believes it can potentially employ good relations with Tehran to gain political influence vis-à-vis the key adversaries of Iran, particularly Washington, Riyadh, and Jerusalem [8].
More broadly, as a major developing power, Iran stands as a key partner in China’s ongoing effort to present itself as a key ally of the interests of the developing world. Hence, good relations with Iran potentially contribute to China’s expanding global influence beyond the West [9].

Finally, from a narrower economic perspective, Iran is particularly important to Beijing as a major (and growing) supplier of oil, a recipient of considerable Chinese investments in the energy and infrastructure sectors, and a market for Chinese capital goods exports such as machinery, as well as engineering services [10]. Such activities assist Chinese state-owned energy corporations in the effort to internationalize their business operations. Iran may also offer a potential alternative overland transportation channel for the shipment of energy products from the Middle East.

We should add that, for some Chinese and foreign observers, Beijing’s efforts to pursue closer energy-related ties with Tehran also derive from a suspicion that the United States (and possibly other Western countries) seek to deny China access to energy resources in other more mainstream countries or regions. For other observers, China’s energy policies toward Iran and other so-called rogue nations are designed to offset Western political leverage over China in general. In other words, from this perspective, China’s economic links with Iran are driven in part by perceived hostile U.S. actions, or Chinese suspicion toward the United States.

A less ominous explanation for China’s drive for energy-related investment deals with Iran is the notion that Beijing is simply a latecomer in the global energy production game.

As Erica Downs, a leading specialist on China’s energy policies at the Brookings Institution, states, Iran’s huge oil and gas reserves are particularly important to China because “Beijing’s late arrival to international exploration and production has made it difficult for them to acquire attractive investment opportunities abroad.” And Beijing has pursued energy ties with countries such as Iran and Sudan because the absence or reduced presence of major international oil companies created a vacuum that China’s oil companies could fill.

Standing in considerable tension with these factors supporting close relations with Tehran are a second set of critical Chinese interests, centered primarily on Beijing’s relationships with the United States, the West, and the international community in general. First and foremost, Beijing has strong, enduring incentives to avoid actions that could severely disrupt its stable and productive relationship with the United States and the West. This is because the ability to work with such major powers in advancing mutual economic interests, addressing a growing array of regional and global problems and concerns, and generally preventing the emergence of
a hostile strategic environment is viewed as essential to the success of Beijing’s overall attempt to sustain high rates of growth and expand its international influence.

In fact, these two sets of interests run somewhat contradictory to one another and hence complicate Chinese efforts to craft a clear, effective, and consistently beneficial policy toward Iran. On the one hand, Beijing does not want to do anything that would severely undermine or destroy its deepening political and economic relationship with Tehran and (arguably) the Iranian people. On the other hand, it does not want to severely alienate or antagonize Washington, the West, or the international community by supporting or protecting Iran in the face of strong opposition from such quarters.

4. DISCUSSION AND CONCLUSIONS

The improving relationship between Iran and China does not mean that their long term interests are the same, but it does mean that, in the medium term, the two states share common aims in the economic and geopolitical spheres. China’s relations with Iran can best be broken down by economic, political, and strategic relations. On the economic front, China looks to Iran to help fulfill its needs regarding energy security and continued economic development. On the political and diplomatic front, China sees Iran as sharing some key world views regarding the international system, believes that Iran shares a similar great-power/victim historical narrative, and views Iran as partner when there are recognized shared goals. Finally, on the strategic front, China has largely viewed its relations with Iran as a means to gain leverage in its primary strategic dealings such as the threat China views from U.S. hegemony or its pursuit of Taiwan’s re-unification. Based on the various interests highlighted in the second section, the paper concludes by assessing that China’s interests in Iran demonstrate the appropriateness of the preservation-prosperity-power incentive structure framework and the tensions that exist within this framework.

REFERENCES

2- According to ‘Ali Akbar Vahidi Ale-Agha, Deputy Managing Director of Petroleum Engineering &
Development, an National Iranian Oil Company subsidiary, “China and Iran are perfectly matched for each other … China has the world’s biggest market of customers and no secure resource for energy. We have a lot of energy, and we need foreign currency. And they have a lot of money to invest. It’s a win-win situation.” Quoted in Vivienne Walt, “Iran Looks East,” Fortune, February 21, 2005. 

3- See Jing-Dong Yuan, “China and the Iranian Nuclear Crisis,” China Brief, 6:3 (February 1, 2006)


9- As one among many examples of this viewpoint found in Chinese sources, see Ma Ning, “Any Favorable Turn on the Middle East Issue Is Precious,” Beijing Qingnian Bao Online, August 3, 2007, OSC CPP20070803710008.


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