



CHINA-IRAN: A COMPLEX, SEESAW RELATIONSHIP

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The establishment of official diplomatic relations between China and Iran dates back only to 1971. Nevertheless, the two countries share a web of economic and cultural interactions rooted in history, which finds in the ancient Silk Road its idealised apogee. A flourishing past, a shared sense of national humiliation, and the idea of a possible alternative world order frame the narrative that backs the Sino-Iranian axis. Still, the power of this narrative masks a complex reality of seesaw relations that questions the idea of China as Iran's safe alternative to the West. The years 1978-79 were crucial for both China and Iran. Ironically, while Beijing was completing a historic diplomatic rapprochement with Washington, Tehran was in the midst of a revolution that rejected Iran's alignment with the US. Despite Khomeini's initial mistrust of China, Sino-Iranian relations survived the formation of the Islamic Republic. By the end of the decade following the 1979 revolution, the PRC became one of Iran's most important political, commercial and military partners. However, in 1997 the Beijing-Tehran axis suffered a major break.

The partial disengagement in 1997 was the product of at least two primary factors. In 1993 the Clinton administration officially adopted the Dual Containment policy, targeting Chinese nuclear and military cooperation with Tehran directly. At the same time, frictions between Washington and Beijing were mounting due to China's disrespect for human rights and the 1996 Taiwan Strait Crisis. Therefore, the need to de-escalate tensions with the US pushed the People's Republic to sacrifice its privileged relationship with Iran. From this standpoint, 1997 is a revealing precedent that shows how deeply this partnership is affected by the state of Beijing-Washington ties.

Nonetheless, during the Ahmadinejad era (2005-2013) the nuclear-related sanctions imposed by the international community drove Iran to turn to China to compensate for growing



economic isolation. Thus Beijing became a privileged player in the flourishing-but-isolated Iranian market, exporting cheap goods, promoting investment and infrastructural projects, and importing oil. It is worth mentioning that, in 2013, the trade deficit was in favour of Iran, dragged by oil exports, while complaints about the poor quality of Chinese products increased substantially. To a great extent, sanctions transformed the Iranian market into a monopoly of Beijing.

Thus, considering this great positional advantage acquired by China, Xi Jinping's decision to support the 2013-2015 nuclear negotiations responded to strategic and political rationales, rather than the economic. Strategically speaking, Beijing had a great interest in reducing tensions between Iran and the US in the Gulf. On the other hand, aligning with the emerging international consensus on adopting a diplomatic and constructive approach to the Iranian question was a unique occasion to promote Xi's idea of China as a proactive but responsible stakeholder. Unsurprisingly, the Chinese leader visited Tehran a week after JCPOA Implementation Day. Xi promised Iran a pivotal role in the New Silk Road and celebrated a partnership rooted in a flourishing past in which Persia and China were equally powerful empires.

In the first months of 2016, the Rouhani administration's goal of de-isolating Iran and opening its market to the West was about to be accomplished. China, despite a bittersweet past, appeared genuinely interested in increasing the quality of its cooperation with Tehran. Nevertheless, this win-win scenario did not materialize. In the following three years, newly elected US President Donald Trump rejected the nuclear deal and introduced a new round of unilateral sanctions that put Iran under enormous pressure. On the other hand, the Chinese response has been tepid and, to some extent, unsatisfactory. Beijing partially filled the vacuum left by European companies forced to abandon Iran but suspended investments in

the South Pars gas field and delayed many infrastructural projects. Eventually, in the midst of the trade war with Washington, the PRC lacked the political will to contrast the effects of US sanctions by increasing the quantity and quality of its presence in Iran.

As the 1997 partial disengagement and the tepid response to Trump's Iran policy clearly show, the US-China-Iran equation is a prism necessary to understanding the evolution of Sino-Iranian relations. As a matter of fact, when the level of the competition with Washington increases, Beijing chooses to de-escalate it by downplaying its relationship with Tehran. Unsurprisingly, this behaviour finds its structural rationale in the great power-middle power nature of the Sino-Iranian axis. From the Chinese perspective, this remains a second-tier relationship located significantly below the one with the United States.

In Iran, the inadequate response to the re-imposition of sanctions by both China and the EU has generated a vibrant debate. Hardliners are pushing for a return to Ahmadinejad's "Look East" strategy, while moderates take a more disenchanted stand. In any case, the opportunity for Iran to align itself with the East, consequently abandoning the Western-oriented policies promoted by Hassan Rouhani, is not obvious, nor effortless. The main risk is to become over-dependent on a group of more powerful Asian states, China in primis, and lose further political autonomy. To avoid that, Tehran should pursue a more proactive Eastward foreign policy, from lobbying for full membership in the Shanghai Cooperation Organisation (SCO) to promoting its pivotal position in the Belt and Road Initiative.

In conclusion, China is likely to remain Iran's top partner in the coming years. However, overestimating the Sino-Iranian partnership risks being disappointing. The power asymmetry existing between the two countries and the



problematic intrusions of the United States are concrete concerns for Tehran and prevent the emergence of a more solid partnership. For these reasons, the potential of China as an all-around alternative to the West should not be idealised, nor considered the ultimate goal for Iran. Nevertheless, the

Islamic Republic still finds in Beijing an irreplaceable source of economic and political aid. In the short-medium term, a deeper inclusion in the Chinese-led Asian order is a strong-but-complex option to counterbalance the unfulfilling outcomes of Rouhani's Western-looking policies.