

COMMENT 195 - On the Asian Century, Pax Sinica & Beyond (X): The Sino-Iranian Alliance: A roadmap for regional instability and authoritarianism

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Iran and China have been exploring the possibility of a strategic alliance since 2016. If implemented fully, it will not only reshape global geo-economics and geo-politics but also have severe impacts on both the Persian Gulf and South Asia. According to a recently [leaked draft agreement](#), the alliance amounts to an unprecedented economic, security-related, military, technological and developmental collaboration between Tehran and Beijing. Considering recent international trajectories, especially China's newly assertive foreign policy, there are growing concerns regarding the potential repercussions of a pact between [two states known](#) for their autocratic style of governance, bullying of neighbours and suppressing of citizens under their administrations. It is crucial to understand the nature of these new, evolving Sino-Iranian relations – and their related threats.

The following arguments can be made when assessing the emerging alliance:

There are indications that the emerging Sino-Iranian deal will be achieved at the expense of the Iranian people and of the country's overall national development. This alliance will predominantly serve Chinese economic and strategic interests as well as the corporate interests of the Islamic Revolutionary Guard Corps (IRGC). The envisaged agreement will provide Beijing with tremendous influence in Iran. Iranian domestic critics are stressing that the deal would '[provide China control over how Iran spends its resources](#)'; it is held that Tehran is '[selling its sovereignty to Beijing](#)'. Some fear that a partnership with Beijing will turn Iran into a '[Chinese Colony](#)'. Tehran may further use repressive measures to silence any oppositional voices.

The planned pact could lead China to extend its support for state-terror in countries under its influence as well as become involved in financing international terrorism beyond the Sino-Pakistan nexus. There is the risk that Tehran, more concretely the Revolutionary Guards, are using the expected inflow of “Chinese money” for their ‘[revolutionary export projects](#)’, meaning the financing of global Jihadism and anti-Semitism. Past experiences remind us of what is to happen as soon as sanctions are lifted. Most notable is the example of the 2015 Joint Comprehensive Plan of Action (JCPOA) which initiated an easing of U.S. sanctions against Iran – subsequently leading to more trade and economic interaction. The IRGC absorbed the new cash inflows and used them to support Jihadist organisations abroad as well as develop new weapon systems such as missiles and drones. One thus wonders how far China will be able and willing to stop the IRGC from financing terrorism and building-up its armoury at the expense of the country’s social and economic development. From a comparative perspective, the way Beijing provides [diplomatic support](#) for Pakistani-based terrorists and turns a blind eye to Islamabad’s state-sponsorship of cross-border terrorism leads us to expect that Beijing will not intervene in the IRGC’s Jihadist activities as long as they protect Chinese interests and assets in Iran.

There is clear evidence that Tehran is already instrumentalising the notion of a potential alliance with Beijing for propaganda purposes. The agreement carries a multi-fold message. It signals that Beijing has [confidence in facing up to Washington](#). As such, the agreement must be seen as an expression of both China’s and Iran’s determination to defy the US in general and Washington’s sanction regime against Tehran in particular. Moreover, the deal indicates that Beijing reached ‘[the point where it no longer regards the potential cost of countering US policy as too high](#)’. Tehran wants to send a distinct message as well. Concretely, it wishes to propagate the notion that Tehran ‘[has now powerful friends and that the US has been unable to isolate Iran](#)’.

The agreement - when agreed and implemented - will have severe regional implications, especially for India and Afghanistan. Beijing will most likely use its growing leverage in Iran to reduce Indian’s presence as much as possible. Particularly the connectivity projects of the Chabahar port and the Chabahar-Zahedan railway, New Delhi’s envisaged passage towards the Afghan border, are followed by Beijing’s strategic circles. The very likely loss of its leeway in Iran will also put Indian assets in Afghanistan at risk.

From an Afghan perspective, it is a particular matter of concern that China will gain control of Afghanistan's transit routes both to the Indian ocean and the Persian Gulf, namely via Pakistan and Iran. This will create a notable dependency by Kabul on Beijing. Moreover, if Beijing takes control over the Chabahar port and other connectivity projects leading to Afghanistan, Kabul could lose its status as exempted from trade-related sanctions imposed on Iran. This would have a severe economic impact on Afghanistan since Iran is the largest trading partner.

Some observers claim that the Iran-China deal is good news for Pakistan. Indeed, the fact that the 'Iran engagement' by arch-rival India is most likely experiencing a major setback undoubtedly creates some kind of *Schadenfreude* in Islamabad. But this *Schadenfreude* will be short-lived. Chinese infrastructure projects in Iran can be also seen as a threat for the China-Pakistan Economic Corridor (CPEC). If Islamabad is not able to eradicate its endemic corruption and bureaucratic and managerial inefficiency as well as ensure a safe, enabling environment for the CPEC (Wolf, 2019), Iran's transit routes will serve as an alternative. Moreover, planned Chinese port projects in Iran could lead Gwadar to lose its status as a Chinese flagship project. Beijing's increasing frustration regarding Islamabad's mismanagement of several CPEC projects, combined with doubts regarding whether Pakistan's security forces are able to protect Chinese development projects, of course contribute to Iran's significance for China's as a strategic partner. This finds further evidence in the increasing military, defence and security cooperation between both countries. It is reported that Tehran is planning to build a [military base in the Indian Ocean](#) which will be properly open to Beijing. Furthermore, besides being not explicit mentioned in the leaked document, there is also an intensive debate on the potential detachment of a 5,000 strong detachment of Chinese forces to Iran besides the shared developments of defence industries, intelligence sharing, and joint military manoeuvres. It is reported that the pact would also include the [granting of basing rights for the PLA Navy](#) and [long-term leases of Iranian islands](#). All this indicates an evolving 'military quasi-alliance'.

Such measures of course aim to challenge both the US maritime dominance and India's position in the extended region.

To sum up, if and when a Sino-Iranian alliance materialises, Beijing will not only undermine the US sanction regime but also provide a new lifeline to the [struggling Mullah regime](#) who came under pressure due to the country's deteriorating social and economic conditions.

In return, Beijing [will obtain massive influence](#) within this geopolitically critical country. China is much likely to support the [world-leading sponsor](#) of international terrorism and most adamant spreader of Jihadist ideology. Beijing’s narrative of being ‘[a misunderstood and well-intentioned global partner](#)’ – or at least what was left of it after China’s role in hiding the origin of COVID-19 and its large-scale campaigns to benefit from the weakness and distractions of other countries – is completely failing. Also the *Islamic Republic of Iran* is dissolving its national narrative and undermining its religious-based founding principles by ignoring the Chinese genocide of its own Muslim population, foremost the East Turkish people (including the Uighurs). This underlines the hypocrisy by the Mullah leadership in Tehran.

One can conclude with the words of [The Wallstreet Journal](#) that the exploring of a Sino-Iranian alliance ‘is the latest in a series of moves that show China as an irresponsible actor’. ‘Both governments, Tehran and Beijing, are revolutionary relics known for lawless behaviour, duplicity, bullying, domestic oppression and thought control, coercive economic practices and grave human-rights abuses. It was only a matter of time before these totalitarian twins found each other in a “strategic partnership.”’

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