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SPECIAL SECTION: SINO-IRANIAN RELATIONS FROM  
TENTATIVE DIPLOMACY TO STRATEGIC PARTNERSHIP

## ASIANISATION OF ASIA: CHINESE-IRANIAN RELATIONS IN PERSPECTIVE

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### Introduction

The modern history of large parts of Asia has been written with European and American pens, and nowhere has this been more the case than in such important regions as South Asia and West Asia. The influence of the West has not only shaped the very boundaries of many of the states constituting these regional systems, but also their political economy. The Europeans' creation of the modern era systematically eroded the legacy of the pre-modern era international economic system which had been built by Asian polities and empires. Their erosion and replacement by European-shaped and Western-led economic practices arguably created a new international order which for centuries marginalised the Global South from the core of the international system, firmly placing the emerging economies of the developing world in the orbit of the colonial/imperial powers. The wholesale orientation of the economies of the developing world Westward distanced these countries from each other, with South-South trade being negligible well into the 1970s. This phenomenon was most apparent in the case of Asia whose vast natural resources and economic capacities were put to the service of the European countries from the eighteenth century through to the dawn of the new millennium. Their products, resources, and services served European/Western interests, and as a result these countries were often socio-economically separated from their natural hinterland.

But if the twentieth century was marked by the West's clear domination in all economic, military, political and diplomatic realms, the twenty-first is proving to be much more dynamic, leading to a period of transition. The rise of Asian countries as major powers is the most significant feature of this transition. Trade and politico-cultural links across the massive Asian landmass are of course not a new phenomenon and historical evidence suggests that for centuries before the rise of the Roman Empire Asia was the world's economic powerhouse, with mega cities (of 30,000 inhabitants or more) having been established a millennium before the dawn of European civilisations. As Hobson has demonstrated, it was the relationship between T'ang China (618–907), the Umayyad and Abbasid Islamic empires (661–1258), and the Fatimid empire (909–1171), which first created true pan-Asian trade.<sup>1</sup> The Gaznavid and Seljuq empires in Persia (977–1219) facilitated pan-Asian trade, providing uncontested trade roots and hubs between China and the Mediterranean, a chain of relationships which were broken only by Mongol invaders who reached West Asia in 1219. Moreover, pan-Asian relations continued to dominate into the modern era, and formed the basis of the so-called 'oriental globalisation' epoch (500–1800 AD).<sup>2</sup> Trade flourished precisely because of the economic health and diversity of economic activity across the Asian landmass. In that world, India and China were industrial giants, dominating global manufacturing until the late-1700s. Indeed, as recently as the 1820s China was accounting for one-third of the world's GDP, and Japan, which is often portrayed as an emulator of the West in its 'Meiji restoration' had before then a flourishing economy and extensive trade relationships, particularly with neighbouring China and Korea. Japan's rapid industrialisation from the 1850s, moreover, was perhaps not triggered by the often-assumed 'look West' strategy, but rather a result of a growing imbalance in its trade with China.<sup>3</sup> South and East Asia were unquestionably the centre of gravity of the pre-medieval world economy. The relationships now emerging, therefore, though very different in material terms, can be said to have had their origins in the pre-modern times. This being so, when speaking of the contemporary 'Asianisation of Asia',<sup>4</sup> one must be mindful of the flourishing pan-Asian relationships of yesteryear which had driven commerce across the Asian landmass and adjacent waterways.

Relations of course were not always peaceful or amicable. People and communities still bemoan the devastation wrought upon Asia by the Mongols, China's annexation of Tibet remains contentious, prosperous Taiwan's independence remains in jeopardy, and memories of Japan's brutal rule in East and Southeast Asia in the first half of the twentieth

century remain so raw as to shape diplomatic exchanges between Tokyo and its nearest neighbours.

However, the roots of those close relationships and interactions survived to shape Asia and also to rekindle the new shoots of collaboration which followed the rise of the oil era in Asia in the second half of the twentieth century. It is at the heart of these tectonic shifts that Asian regions – East, Southeast, South, Central, and West – find themselves. In accounting for pan-Asian strategic developments, therefore, one will necessarily have to navigate the forces at play in both the regional and international systems. At the international level, it is the transition eastwards of the weight of the global economy which is central to the process, identified here as ‘systemic shift’.

## Systemic shift

The core argument of systemic shift is that the centre of gravity of global industry has been, and is continuing, to shift eastwards. Quah notes that a profound eastward shift in economic activity has been taking place since 1980, which means that in “2008 the world’s economic centre of gravity had moved close to Izmir, thus having been pulled 4,800 km (75 per cent of the Earth’s radius) eastward across the surface of the planet. Extrapolating to 2050, the global economy’s centre of gravity will continue to shift east to lie between India and China. Measured on the planet’s surface this will be a shift since 1980 of 9,300 km, or 1.5 times the radius of the Earth”.<sup>5</sup> China and India, of course, independently of each other, are driving the process in the twenty-first century. The irrepressible return of China to the global centre stage has certainly concentrated the minds of Western leaders for some two decades now, resulting in perceptions of China as a real and present danger to the well-being of the post-War Western-crafted international system of institutions and norms. Nicholas D. Kristof (the *New York Times* Bureau Chief in Beijing between 1988 and 1993) was one of a handful of knowledgeable commentators who saw in the rise of China a major global transition, arguing in 1993 that “at present trajectories China may displace [the United States] in the first half of the next century and become the number one economy in the world”, adding that “almost nothing is so destabilizing as the arrival of a new industrial and military power on the international scene; consider Japan’s history in this century or Germany’s in the decades leading up to World War I”.<sup>6</sup> His analysis of China’s rise was not alarmist and accurately accounted for the strategic impact of a

resurgent China, but in the second decade of the twenty-first century the tone of commentaries by analysts and policy makers alike changed considerably, perhaps prompted by President Xi Jinping's own more bellicose tone,<sup>7</sup> to present China as a strategic rival and a threat to the established international norms, even predicting war between China and the United States.

The focus on China is important and unavoidable in strategic terms, given that its political system and values stand in sharp contrast to those of the Western democracies, and also because its economy has grown and developed so rapidly as to challenge the dominance of the United States. And also for the fact that unlike Japan, India, the Republic of Korea, or Taiwan, or any other Southeast Asian state for that matter, China is the only Asian power which deliberately and systematically puts itself outside of any alliance structure. Its 'alternative' political system and political values are also increasingly seen as threatening to Western interests and the West's democratic values, which the West sees as best suited for the political and economic development and well-being of the Global South – those parts of the world indeed in which China is now heavily engaged.

Japan's ascent did not challenge the existing order and India's rise does not threaten to supersede the post-War order; China's rise by contrast certainly does. China's leaders have ambitious plans for the country and its global policies, of which the Belt and Road Initiative (BRI) is an exemplar, and as China asserts itself, working with what its leaders have called an orchestra of other countries, it is slowly but surely creating a parallel universe of international relations, with 'norms with Chinese characteristics' in tow. China is not new to the world stage, which is a further source of concern for the West, as it systematically rebuilds its power and rekindles the political, diplomatic, military, cultural and scientific superiority it once held over the rest of the world in the millennium before the rise of European power in the sixteenth century.

The process in which the weight of the world economy has been shifting eastwards goes beyond China, however, and is in reality indicative of a process of transformation which had begun in the 1960s, and only in the twenty-first century has it been spearheaded by China and India. Japan's pioneering role as Asia's most advanced economy of the twentieth century paved the way for the process of systemic shift, which accelerated as Asia's smaller but nimble economies jumped onto the bandwagon of

liberalised global trade and investment relations in the 1970s. China's 'Four Modernisations' launched in 1978 coincided with the rapid globalisation of Western capital in the hands of its transnational corporations and their 'discovery' of China as a safe place for investment released China's economic energies. Once China joined the World Trade Organisation in 2001 its destiny as Asia's dominant economy was assured. China is now central to the world economy. China is responsible for one quarter of global industrial output, consumes one quarter of the world's energy, consumes 59 per cent of the world's cement production, and half of the world's steel and copper output.<sup>8</sup> Davies has shown that by early twenty-first century China had become a formidable actor in the world economy. It had captured one-third of global economic growth between 2000 and 2008, had become the world's largest consumer of steel, concrete and copper, producing 70 per cent of the world's mobile telephones, 80 per cent of the world's photocopiers, 60 per cent of the world's digital cameras.<sup>9</sup> One single factory in the industrial region of Guangdong was producing 40 per cent of the world's microwave ovens. China is home to four of the world's top 10 banks and accounts for 13.2 per cent of global merchandise trade, and has since the end of 2020 bounced back as the world economy's globaliser. The People's Republic of China is well on its way to becoming the world's largest economy.<sup>10</sup> On current projections, China's GDP will have overtaken that of the United States – \$32 trillion versus \$23 trillion – and will have overshadowed those of the Europe 3 (\$12 trillion), of India's (\$8 trillion), and also Japan's (\$6 trillion) before mid-century. The orbital power of China's economy cannot be overemphasised, and its Belt and Road Initiative, fuelled by China's vast financial and material resources, exemplifies China's centrality. The BRI's successful implementation will eventually bring 60 per cent of the world's GDP, 70 per cent of the world's population and 75 per cent of the world's known energy sources, along with engagement of over 70 countries, within China's reach. As China's economic resurgence has been taking place in consort with the prosperity of the rest of East Asia, its steady rise will take place in conjunction with the active participation of the most advanced Asian economies of Japan, Singapore, Republic of Korea, and also Taiwan. These countries have a direct and vested interest in China's economic prosperity, as demonstrated by their enthusiastic embrace of the Regional Comprehensive Economic Partnership launched in 2020 which encompasses 30 per cent of the world's GDP. The leading Asian countries' growth and expansion, in addition to that of India's, will lead to the Asianisation of globalisation as more of the world's economic energies head in Asia's direction.

To put systemic shift in perspective, it is again important to underline the economic transformation of East and South Asia as the real motor of the dramatic shift eastwards of global economic balance. If Japan's story might be one of missing the historic moment to become the dominant global economy, the same surely cannot be said of China. However, as noted above, although Japan's share of global GDP is likely to fall in the next 20 years, Japanese industry remains robust and world leader in so many sectors. Also, the country's financial sector is steadily recovering, and of course its massive economic footprint in the rest of Asia will mean that it is well-placed to claim its share of the wider region's prosperity.

## Drivers of Asianisation

Asia is arguably a mosaic of regions, using Scott's language,<sup>11</sup> and it is increasingly bound together by virtues of geography, of the distribution of strategic resources, industrial strength, trade and investment flows, and an increasingly mobile population. Asia comprises several regional systems, which interact and cooperate,<sup>12</sup> but it is the leading Asian regional powers which drive exchange. By virtue of geography, geopolitical weight, resource-endowment, or enlightened leadership, Asian regional and Asian middle powers seek cooperation to exploit opportunities, and ways of extending their own influence in Asian regions. Their behaviour and broad 'Look East' policies reinforce Asianisation. Such Asian middle powers as Pakistan, Iran, Saudi Arabia, Kazakhstan, Turkey, Indonesia, and the Koreas provide many noted examples of dynamic Asianisation. Not to be outdone, smaller countries also play a significant role in the process, with the UAE, Oman, Qatar, Kuwait, Sri Lanka, and Azerbaijan leading the way.

As noted earlier, not all Asianisation has positive connotations, and competition and weariness are also factors in Asian exchanges, often influencing policy choices. The geopolitical tensions which have come to shape relations between Iran and Saudi Arabia is a case in point, which ironically has pushed these countries to seek even closer partnerships with the great Asian powers. At the same time, regional power tensions in West Asia have pushed the two countries to compete in East and Southeast Asia (in Muslim countries of Indonesia and Malaysia in particular), and also in pursuit of China's patronage. Tensions between India and China are another good example of conflictual exchanges, which in normal times are overcome in the interest of mutually beneficial trade. But, as

New Delhi's defiance of China's Belt and Road Initiative suggests, economic exchanges do not extinguish the embers of geopolitical competition, and these on occasion can build dangerous fires along their shared border, threatening the security of their respective border regions and hardening the diplomatic arteries between the two. Nor do economic exchanges reduce political competition, which can be detected in Beijing and New Delhi's courting of Iran,<sup>13</sup> for example, or in China's close ties with Pakistan, the one country which continues to stand out as the greatest security challenge for India.<sup>14</sup> In Central Asia too, Kazakhstan and Uzbekistan struggle for supremacy, while Turkmenistan pushes to secure an advantageous position as a Caspian state, and also as a bordering state of Iran which can give it access to the rest of the world via Iranian territory.

It is further evident that power is unevenly divided in Asia. This being so, power is highly contested, at both Asian subregional and Asia great power levels. It is not surprising to see tensions surface between a great Asian power such as China with wider ambitions and several of its smaller Southeast Asian neighbours. Such tensions today manifest themselves in opposition to Beijing's maximalist territorial designs in South China Sea; and in Taiwan, the Republic of Korea, and Japan consolidating their security partnerships with the United States. These episodes challenge the linear Asianisation thesis which might presume an unbroken chain of constructive exchanges arising from Asianisation of Asia. Nevertheless, there are discernible factors pushing convergence, driving Asianisation. There has been discussion of the five drivers of Asianisation elsewhere, so suffice here to identify these drivers, as follows: Exchanges in energy and natural resources; trade and investment in the wider economies of each other; security and military relationships; diplomatic exchanges; and cultural and human relationships.<sup>15</sup> Each of these drivers builds and reinforces pan-Asian exchanges. These are, in effect, the individual spokes of the Asian wheel, but each is shaped and conditioned by systemic shift. This new nexus underpins the dawn of a new global balance of power, at once redefining the new division of power at the systemic level and the distribution of that power in economic terms.

## **Asianisation of Asia**

Asia is in the twenty-first century again the centre of gravity of the world economy, and as Menon notes, also as a direct consequence of its economic weight is the new centre of gravity of world politics.<sup>16</sup> Asianisation is a process, an economic and socio-political force, marking the



emergence and rapid consolidation of a wholly Asian nexus in which Central, West, South, Southeast, and East Asia constitute the body of a new pan-Asian multi-regional community whose destiny is predicated on a widening network of economic, financial, cultural, security and political contacts. These today are being driven by the continuing economic dynamism of Southeast Asia, the energy and natural resources of Central and West Asia, India's technological awakening, the extraordinary creativity of East Asia, and the emergence of rich new market opportunities in the Persian Gulf and the southern Mediterranean (Egypt and Israel most notably).

Asia's rise to dominance presents both opportunities and challenges for Asian regions and Asian regional powers more generally, but given that Southeast Asia is now immersed in Asianisation and South Asia is a part of it, the process is unlikely to affect any other part of greater Asia more directly than Central Asia and West Asia. The latter is of particular significance, given that this Asian subregion has been at the leading edge of the convergence process of Asian economic zones since the early 1970s. With much of West Asia's security still tied to the Euro-Atlantic powers, it is important to reflect on how such a major Asian power as China would go about managing its growing economic interests with the Western security blanket covering so much of West Asia.

Looking at the recent past, we can pinpoint the spark of the (re)Asianisation of Asia in the modern era to the last 30 years of the twentieth century. Then, Asia's emerging economies were quickly integrating into the dynamism of the larger neighbouring economies, marking the first phase of Asia's Asianisation in the 1960s. To trace the growth of Asian economic and political ties with West Asia, one would have to visit the first oil boom of the 1970s, when the foundations of 'broader Asianisation' were being built. The origins of modern inter-Asian encounters lie in Japan's great post-War economic leap which subsequently resulted in a rapid rise in its energy (crude oil) consumption. Within a decade, Japan's dynamism had gathered such pace as to be reaching the western edges of Asia. Japan had Iran in its sights as a major oil state and the most advanced economic infrastructure in the Persian Gulf. Well into the 1970s much of Southeast Asia was in turmoil and ravaged by a series of internal, imposed, and inter-state conflicts. Central Asia as region was non-existent.

Kuwait was a primary actor in the convergence process, feeding Japan's rapid reindustrialisation from the 1950s as its oil imports increased. This

put in place the first plank of what has become a bridge of economic relations between the Persian Gulf and East Asia. The globalisation of Asian industries, partly because of their mercantilist state strategies and export-led development drive, have been complemented by the global nature of the Persian Gulf's oil-based political economy, which have together created a transformative relationship in the twenty-first century. The Persian Gulf's financial power from the 1970s also fed into the economic growth and development of neighbouring zones of North Africa and the Levant (also known as the southern Mediterranean). The substantial remittances of the Gulf Arab countries-based migrant labour, in particular to the rest of the Arab region and South Asia, became an important catalyst for greater economic exchanges, which was complemented by the investment and asset purchases by the oil states in their hinterland. These developments together created the basis for West Asia's Asianisation into the twenty-first century, which has accelerated in response to China's growing presence.<sup>17</sup>

Central Asia, now forming the heart of Eurasia, did not emerge as an independent Asian community of states until 1991, following the collapse of the USSR. It did not take neighbouring countries long to 'discover' this Asian subregion, and even before the ink had dried on their declarations of independence, neighbours were keenly taking advantage of Central Asia's new geopolitics. For some Asian countries, China, Iran, and India in particular, the collapse of the Soviet state reopened the geographical, economic and cultural spaces which had facilitated pan-Asian trade of the previous two millennia. But it was Iran and China, with their extensive land borders with the Central Asian subregion, which showed little difficulty reengaging with this new community of states, though in the case of Iran the cultural affinity of these countries with the pre-revolution secular Iran proved a challenge for Islamic republicans to manage. East Asian countries and Iran and Saudi Arabia led the way in exploring economic and geopolitical opportunities presented by the return of Central Asia to Asia. Inevitably, Central Asia's hydrocarbon assets and the promise of its mineral riches attracted the attention of China and just 20 years after their independence these countries were being woven into the fabric of China's emerging Eurasian Silk Road strategy. Central Asia's 'decolonisation' completed the strategic setting for the Asianisation of the whole continent.

As already noted, it was Japan's arrival as a major industrialised economy in the late-twentieth century which changed perceptions. Here was an Asian state, using Western economic tools, systems, and narratives – as well as

the West's rich markets – rapidly to climb the ladder of the global economy and become a powerful G7 member in less than 30 years following its crushing defeat in the Second World War. For its success from the 1960s Japan poured its accumulated capital outwards, directly connecting not only with the rest of the leading (Western) economies, but at the same time also with states making up the Asian continent's hinterland, particularly in Southeast Asia (cheap and abundant labour and fast-developing semi-processing industries) and in West Asia (cheap and abundant oil, and from the early seventies access to cash-rich markets). These parts of Asia were the most significant hubs of economic activity during the Cold War, as until the 1990s the heartland of Asia was closed off to external powers by the Soviet Union, and the Indian subcontinent was economically insignificant till well into the twenty-first century. The Newly-Industrialising Countries (NICs) of East and Southeast Asia (Republic of Korea, Singapore, Taiwan, and Thailand in particular) were the first-generation of so-called 'Asian Tigers' which from the mid-1960s began to open up to foreign direct investment, to build on Japan's economic success, and by emulating Japan's export drive, were soon industrial exporters in their own right. The critically important role this emerging layer of the fast-expanding international capitalist order came to play in the rise of developing economies as manufacturers in their own right needs to be underlined.<sup>18</sup> By the mid-1970s, 60 per cent of the Global South's manufactured exports originated in the Asian Tigers. The success of the first-generation Asian NICs, and the then-smaller Southeast Asian economies of Malaysia, the Philippines, and Vietnam provided the critical mass for the ASEAN countries as a group to prosper from the export-substitution industrialisation development model of the Tigers.

At the same time as the rise of the NICs (which also included such Latin American countries as Argentina, Brazil, and Chile) as the new component of the rapid globalisation of capital, another distinct pole in the world economy was also appearing. This pole, formed by the rapidly rising oil prices, emerged in the Persian Gulf and gave birth to a new and unique category, which the World Bank dubbed the 'capital-surplus' group of countries. For the first time in the history of modern capitalism the exporters of a natural resource had become cash rich on the back of their extraction and sale of an albeit vital strategic commodity whose presence in abundance in this region had made the expansion of capitalist industrialisation in the twentieth century possible. The ability of a small group of oil producers to change the rules of exchange for this international commodity also hinted at the changing global balance of economic power.

It was arguably the simultaneous rise of these two mini-poles in the liberalised post-Gold Standard capitalist system which made the Asianisation of Asia a possibility. Japan and the Tigers formed the industrial edge of Asia in the 1970s and the Persian Gulf states provided its energy hub. The industrial growth and prosperity of the former became increasingly dependent on the supply of hydrocarbons as a major source of power from the other, with the NICs' oil consumption rising rapidly from the late 1960s. Growing convergence, if not interdependence, followed. With the price the Tigers paid for every barrel of imported oil increasing rapidly, they inevitably turned to trade and investment in order to compensate for their rising energy bills.<sup>19</sup> As a consequence, firms from the Tigers began to pour into the Persian Gulf to cash in on the development drive of the Gulf states.

Amongst the oil exporters, Iran and Saudi Arabia stood out as the fastest growing Gulf countries. Of the two, Iran was much more advanced economically and therefore better placed to explore Asian partnerships. Its primary Asian partner at the time was Japan, the most advanced Asian economy, but interest in the Tigers inevitably emerged as their consumption of Iranian crude steadily increased. As a 'semi-periphery state' in the world economy, and with a burgeoning industrial base, Iran was much better placed than all of its neighbours to forge Asian links in the interest of its economic development. It was also not lost on Asian countries that it had been Iran which had led the price revolt against the oil majors in 1971.

## **Iran's Asianisation**

It was in this period of economic transition that Iran again rediscovered China, and following the establishment of relations between Washington and Beijing, Imperial Iran took the leap in establishing diplomatic relations with the People's Republic of China in 1971. China was, from the Pahlavi monarch's strategic perspective, a critical actor in the promotion of Iran's global role.<sup>20</sup> Despite the raging Dhofar rebellion (1970–1974) in Oman which placed Iran and China on opposite sides of the battlefield, relations were established without controversy. Iran's military intervention in Oman helped defeat the rebellion and consolidate Sultan Qaboos' position as ruler, but before then Iran and China had taken off their fatigues and were building bilateral relations. For China, Iran showcased the Gulf's top modernising leader and represented the bulwark against China's self-declared greatest enemy, the Soviet Union. The Shah was seen as an emerging Third World leader who shared China's geopolitical

concerns beyond that of superpower rivalries. Concerns over India's domination of the Indian Ocean, its pressures on Pakistan, the Soviet Union's alliances with Asian countries, and dangers of Soviet-American rapprochement were common to both. For Iran, China represented opportunity and a strategic Asian backstop to its relations with the Soviet Union. Moscow's signing of an inclusive cooperation agreement with Iraq in 1972, probably partially motivated by the establishment of relations between Iran and China a year earlier, validated for Tehran and Beijing their rapprochement. The United States' blessing for the new relationship ensured that neither Tehran nor Beijing would need to fear an American backlash. From a global perspective, it also made strategic sense for a 'desolating' China to cultivate warm relations with America's 'favourite son' in the Middle East. So it was that the visit of the Shah's younger sister, Princess Ashraf Pahlavi, to Beijing before the formal establishment of relations was greeted with much pomp and ceremony. Premier Zhou Enlai's warm embrace of the visiting dignitaries in April 1971 set the tone for the relationship, which emphasised the importance of civilisational partnership between Iran and China as the precursor for future relations between these two Asian countries. When Empress Farah Diba led another delegation to China in 1972 her hosts reiterated the importance of Iran–China bilateral relations, and their civilisational bond.

There was precedent for this narrative, of course, as the establishment of relations in 1971 was in fact the second act in the twentieth century of two countries' efforts to cooperate. The Sino-Iranian treaty of 1920 had already prepared the groundwork for a diplomatic dialogue, and that dialogue was based on what we can term a "dialogue of civilisations". Indeed, China's acceptance of Iran's approach to sign a treaty of friendship in 1920 had been based on the principle of China and Iran being "ancient civilized countries".<sup>21</sup> For China, this was an important issue and was a significant factor in China's desire to build Asian relations against outside interference. As Chen shows, at that time Peking and Tehran were struggling to shake off the shackles of colonial intervention and had bonded over the desire to "eliminate pressures from foreign powers".<sup>22</sup> Japan's intervention in China and continuing Anglo-Soviet machinations in Iran followed by the fall of the Qajar dynasty scuppered those early efforts. But it is interesting that communist China's narrative of the 1970s continued to focus on themes driving earlier Sino-Persian conversations. In the 1970s the narrative was being built around five core issues. First, the two countries shared a common destiny in their prolonged suffering at the hands of imperial/colonial powers; secondly, the two countries showed fortitude in overcoming subjugation; thirdly, they represented Asia's

ancient civilisations whose destinies were shared; fourthly, the severing of over two thousand years of friendly relations had come to an end and thus the memories of the great Silk Road could be rekindled; and finally, the two sides were duty-bound to resist hegemonic designs of imperial powers – by which both sides meant the Soviet Union at that time. For Iran, unfettered control of the Persian Gulf following the British withdrawal of forces from ‘east of Suez’ in 1971 had become a strategic priority, testing its relations with the West. These themes, arguably, have remained a constant feature of bilateral relations, providing the context not only for the parties’ anti-hegemonic drive, but also for their convergence around China’s New Silk Road strategy and the implementation of China’s twenty-first century Eurasia-changing Belt and Road Initiative.

As the other Gulf Arab states followed Kuwait, Iran, and Oman in establishing relations with China in the 1980s, so inter-Asian networks began to thicken. These developments, built on India’s already strong cultural and historical links with West Asia and the Middle East, created new pathways for Asianisation of the Middle East which had hitherto been absent. Iran, however, had a unique role to play as its gentle steer eastwards from the late 1960s–early 1970s – in terms of plans to build to a ‘blue water’ navy to navigate the Indian Ocean as an emerging Asian military power, in terms of cultivating trade and investment links with Japan, and of course in the context of restoring diplomatic relations with China – took shape. The significance that Beijing was now attaching to Iran was underlined by the high level visit of Chinese Communist Party Chairman, Hua Guofeng, celebrating nearly a decade of ties with the monarchy. But, this time it was revolution in Iran which threatened to scupper warming Sino-Iran relations. Despite the overt religiosity of the new republic, in reality Iran’s growing regional and international isolation, its ‘neither East, nor West’ (neither the United States, nor the Soviet Union) foreign policy doctrine, and its grave need for political and military support tempted China to turn the page and recover its ties with Iran.

China’s interest was sustained by the potential of the Iranian market, Iran as a major oil state, and its role as a key geopolitical factor in the security of the Persian Gulf. The then-Hojjatoleslam President Ali Khamenei’s visit to China in February 1981 opened the way for the renewal of ties. The early impressions of Khamenei, consolidated by the repeated visits of Majlis Speaker Ali Akbar Hashemi Rafsanjani in the 1980s, inevitably fed into the articulation of Iran’s ‘Look East’ strategy. Under the stewardship of the republic’s ‘Leader’, Ayatollah Khamenei following his elevation as Supreme Leader in 1989, Look East had become common

currency. Khamenei and Rafsanjani had laid the ground work for Sino-Iranian ties in the 1980s and following Rafsanjani's election in 1989 as the republic's first executive president (under the revised constitution) these grew faster. China had emerged as a major supplier of weapons to Iran, had agreed to support Iran's nuclear power programme, and had begun imprinting itself on Iran's economy. Its high-profile role as the builder of Tehran's metro system in the 1990s visualised China's presence in Iran.<sup>23</sup> What was perhaps less visible was the billions of dollars in arms trade which had helped enhance Iran's naval, airpower, and missile capabilities,<sup>24</sup> and China's nod to the DPRK to support Iran's growing surface-to-surface ballistic missile programme. China's support for United Nations-imposed sanctions on Iran and its withdrawal from nuclear and energy projects notwithstanding, flourishing diplomatic, military, and economic partnership exemplified relations. But Iran had not abandoned its desire to re-establish economic ties with the West, even the United States, just yet and was still hopeful into this century that its multi-faceted 'dialogue' with its European counterparts and its encouragement of the return of American oil giants would help it renew its pre-revolutionary economic relations with the West.

## **Islamic Republic of Iran–PRC Relations into the Twenty-first Century**

The 'Asianism' of Iran's policies, as Azad has called it,<sup>25</sup> began in earnest under the two-term presidency of Dr Mahmoud Ahmadinejad (2005–2013). His strong rejection of the West, his expansion of Iran's nuclear programme, his administration's diplomatic blunders in the nuclear negotiations with the great and major world powers, and Iran's continuing regional isolation, effectively pushed Iran towards China. But as Azad notes, Iran's 'Look East' policy of the time encompassed economic relations with Japan, both Koreas as well as China, and had not been an exclusive China–Iran partnership.<sup>26</sup> Nevertheless, it was the strength of the imposed sanctions during Ahmadinejad's presidency and the desire of the Leader to see ties with China reaffirmed that pushed Iran more fully into China's orbit. Not surprisingly, bilateral trade between Iran and China grew from just \$600 million in 1999 to a massive \$29 billion in 2009. By the late-2000s China had for the first time become Iran's main trading partner, providing cheap substitutes for the unavailable manufacturing parts and consumer products from Europe, and for essential equipment that because of Iran's collapsed currency it could no longer afford to purchase from the West.<sup>27</sup> While the aftermath of the Joint

Comprehensive Plan of Action (JCPoA) nuclear agreement (2015–2018) negotiated by the successor administration of President Hassan Rouhani (2013–2021) demonstrated Iran's continuing interest in rebuilding economic relations with Europe and the rest, exemplified in the massive rush of contracts between Iran and a whole host of European and American corporations,<sup>28</sup> it was China which stole the march. It was in the context of President Xi Jinping's high level visit to Tehran in early 2016 that the outlines of a wide-ranging 25-year bilateral agreement, which was finally signed in 2021, were negotiated. Despite the Rouhani administration's earlier reservations about China and Chinese behaviour, it was in the end his administration which signed the extensive deal with China and put the icing on the 'comprehensive strategic partnership' which had features in earlier discussions. But, ultimately, it was the United States' abandoning of the JCPoA in 2018 which forced Tehran's hand and ended Iran's struggle to maintain balance between its relations with China and the West. Ironically, it has been American action, by the Trump administration (2016–2021) to be sure, but also his predecessors, which have pushed Iran's Asianisation.

The pull factor, the 25-year partnership with China, is going to shape Iran–China relations for decades to come, and with it the geopolitics of western Asia.<sup>29</sup> Despite its limitations, identified by Greer and Batmanghelidj,<sup>30</sup> this trade and investment agreement will leave an indelible mark on the Asianisation process as it pulls Iran further away from the West. The agreement has not diminished fears on the Iranian side of capitulation to China, however. Fears of China's domination of Iran's economy and its exploitation of the country's vast land and off-shore resources have been a constant concern, even expressed by those figures who facilitated China's access to Iran.<sup>31</sup> Fears amongst intellectuals and reform-leaning members of the political elite of further authoritarianisation of the Islamic Republic thanks to closer ties with China have also been expressed.<sup>32</sup> And, as no clear mechanisms for Iran to fulfil its ambition of becoming a full member of the Shanghai Cooperation Organisation to join Asia's top table has been identified, it remains an open question for many Iranians as to why Tehran is handing the keys of the national economy to China.

## Conclusions

As was the case in the twentieth century, Iran again finds itself as a key actor at this century's geopolitical crossroads. Between 1945 and 1980,



it was the trip wire of NATO planners for disrupting perceived Soviet designs to march towards the waters of the Persian Gulf and its hydro-carbon assets. In that Cold War, Iran acted as the containment belt around the southern borders of the Soviet Union, which helped it position itself as that global shaping era's strategic pawn. The Cold War, arguably, never had a permanence to it and it was increasingly clear by the onset of the 1970s that the Soviet empire was unable to compete with the West militarily or economically. Moscow's celebration of a string of revolutions in the 1970s as a blow to the West and as evidence of the rise of what it now called 'socialist-oriented' countries was, with hindsight, less of a bang and more of a whimper in the great superpowers' struggle for supremacy. The Soviet Union's ill-advised military intervention in Afghanistan in 1979, ostensibly to defend and expand the Soviet-controlled space, was its last gasp for global geopolitical parity with the United States, which proved to be the Soviet Union's undoing.

The conditions of that Cold War provide a useful backdrop for analysis of the resurgence of China as a global power, which has had an altogether different geopolitical and economic feel to it. Indeed, if we accept the proposition that China's return to global centre stage is a historical corrective, then we must accept that there is a much higher degree of permanence to China's rise as a global power, when compared with the Soviet Union. A correct strategic assumption seems to be that both China and the United States will dominate the strategic landscape of the twenty-first century and assuming that both countries manage to contain their structural (largely political in the case of the United States and largely economic in the case of China) weaknesses, then we are in for a prolonged period of transition. But will it be transition to multipolarity or non-polarity in the international system? It is at this transitional moment, though, that Iran's relations become significant, as Iran is arguably one of only a handful of Asian countries (with Myanmar, DPRK, Mongolia, and Pakistan on top of the list) which could help China overcome what Mazarr has articulated as the limits to China's normative legitimacy – the necessary narrative to create a new hegemony, to create a counter-hegemonic coalition to attain systemic leadership. As he puts it, China's grave weakness lies in its unwillingness to “commit to institutions and processes that reflect true procedural fairness in critical circumstances”, for actively undermining “the procedural soundness of many international institutions in pursuit of its own unique interests”, and for refusing to participate in “the enforcement of critical norms in areas such as nonproliferation, human rights, rule of law, and trade fairness”.<sup>33</sup> Revolutionary Muslim Iran's anti-American/anti-Westernism can

contribute significantly to China's narrative and the building of a counter-hegemonic bloc which attempts to correct the injustices of the Western-dominated international system and the catalogue of Western impositions on the Global South, to say nothing of the humiliation of "civilisational states" of China and Iran. Iran can provide further legitimacy for China as it can comfortably say that it has no problem accepting China as a partner because China has no intention of imposing its will, economic model, or political system on other countries in the ways that the West has done. So, it is in the realm of normative rivalries that we can add to the economic value of the BRI's reach across Eurasia the power for China to rewrite norms and add the all-important "Chinese characteristics" to the new rule book. As China builds BRI networks, so it also attempts to widen the country's international support base through economic statecraft.<sup>34</sup> To have a semi-military presence in the oil rich Persian Gulf, which for decades has been America's backyard, can also be helpful if and when Beijing feels that it has to counter Washington's military presence in its own backyard in East and Southeast Asia.

Iran also desperately needs China to succeed in its efforts to forge a new world order which puts Asia at its heart. In this new world order, the United States will have lost its authority and its power to dictate terms on regional powers such as Iran. A Sino-centric world, built on the BRI and sustained by Asia's rise, will also help, from Tehran's perspective, the revitalisation of Iran's economy. It will be positioned to take advantage of pan-Asian trade and investment opportunities for the first time as a full partner. For Iran's leaders, the Asian century could be the Islamic Republic's century too.<sup>35</sup> But the critical issue for Iran is, does it have the tools and the residual power to ride the wave of Asianisation? And, can it moderate its regional policies to suit Asian countries' commercial and energy interests in West Asia? For its strategy to be successful, moreover, Tehran will have to be sensitive to China's overwhelming interest in the stability of Iran's neighbours, in which Beijing is now materially invested. Disruption to the flow of oil out of the Persian Gulf hurts China's domestic and regional interests more than any other country on the planet, arguably. So, while many domestic and regional geopolitical pitfalls remain, it is arguable that Iran has settled on the country's Asian path, which means that for the traditional policy of equilibrium to return to its foreign policy will require sustained and supportive engagement by the West.

Finally, both Tehran and Beijing will have to be mindful of Asia's structural barriers to unhindered Asianisation. Indeed, it can be argued that the

narrative of Asia's rise has been written too uncritically, and Tehran should not lose sight of the 'conditions' of Chinese power. There is no 'Asian bloc' to compete with the Western alliance, for instance, so coalitions are often tactical and short-lived. Despite the fluidity of power relations in Asia, there is a clear push to create a counter-bloc to China encompassing Asia's democracies with many of whom Iran will need cooperative economic and political relations. Sino-Iranian partnership in isolation of wider Asian currents, in other words, may be self-defeating. In addition, Asia has its own multipolar geostrategic space in which Asian powers compete while trying to manage bilateral relations, which only means instability. Thirdly, despite their many strong attributes the 'big three' in Asia – China, India and Japan – have unique economic and security vulnerabilities that not only 'conditions' their power status, but also constrains them. But tipping China to succeed the United States as the next superpower is not a new past time.<sup>36</sup> This uncritical approach loses sight of Japan's experience, however, which in the 1970s was being touted as this century's rising economic sun to cast a long shadow over the United States and its 'true' Western allies in Europe. That dream came to an end as early as the 1980s when domestic structural problems and economic stagnation put a stop to those ambitions. China's place as the supreme global actor is therefore not preordained and where Iran sets its stall in this regard will have long term consequences for that country, as well as for Asianisation of Asia, about which so much has been said here.

## NOTES

1. John M. Hobson, *The Eastern Origins of Western Civilisation*. Cambridge: Cambridge University Press, 2004.
2. Ibid.
3. Ibid.
4. Yoichi Funabashi used the phrase Asianisation of Asia in his classis article, 'The Asianization of Asia'. *Foreign Affairs* Vol. 72. Issue 5 (November/December 1993), to depict East/Southeast Asian consciousness and identity resurgence, whereas I use the phrase as a measure of the comprehensive ways in which pan-Asianism has emerged. I argue that Asian powers, Asian economies, and Asian regional systems have begun to converge economically in the first instance, but also show growing signs of collaboration in such other fields as security, culture, and diplomacy.
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16. See Conversation with Shivshankar Menon, New Books Network | Shivshankar Menon, "India and Asian Geopolitics" ... , <https://newbooksnetwork.com/india-and-asian-geopolitics> (accessed 8 July 2021).
17. John Calabrese, *China and the Middle East: Redefining the International Order?* Durham: al-Sabah Paper Series no. 26 (December 2018).
18. See Anoushiravan Ehteshami 'The Rise and Convergence of the 'Middle' in the World Economy: The case of the NICs and the Gulf States', in Charles E. Davies (Ed.), *Global Interests in the Arab Gulf*. Exeter: University of Exeter Press, 1992, pp. 132–168.
19. Data regarding the energy transactions of the leaders of the Asian NICs pack, Republic of Korea and Singapore, is instructive: Republic of Korea's crude imports rose from 130,000 barrels per day (b/d) in 1969 to 616,000 b/d in 1977, and the cost rose from \$125 million to \$1.9 billion. Singapore's crude imports rose from 111,000 b/d in 1971 to 701,000 b/d in 1979, and the cost rose from \$406 million to \$4.7 billion. See *ibid*.
20. John W. Garver, *China and Iran: Ancient Partners in a Post-Imperial World*. Seattle, WA: University of Washington Press, 2006.
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22. *Ibid.*, p. 996.
23. Jacopo Scita, 'Iran and China: Old Friends in Search of a Sustained Partnership', in Annalisa Perteghella and Paolo Magri (Eds.), *Iran Looking East: An Alternative to the EU?* Milan: Ledzioni LediPublishing for ISPI, 2019, pp. 41–62.

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29. For details, see Lucille Greer and Esfandyar Batmanghelidj, *Last Among Equals: The China-Iran partnership in Regional Context*. Washington, DC: Wilson Center Occasional Paper Series no. 38 (September 2020).
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## Disclosure statement

No potential conflict of interest was reported by the author.

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