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IRAN'S "LOOK TO THE EAST POLICY": PIVOT TOWARDS CHINA AND EURASIAN ECONOMIC UNION

Mher D. Sahakyan

It appears, that Iran had completely pivoted towards its "Look to the East Policy" after the withdrawal of the US from the Joint Comprehensive Plan of Action in May 2018 and imposition of new sanctions on Iran by Trump's Administration. After these developments Tehran lost the hope to normalize relations with the West and marched eastward. Iranian "Look to the East policy" strategy aims to strengthen Iran's strategic cooperation with Russia and China. Thus, it means that in the era of changing world order Iran has made its choice and it is joining the Sino-Russian political and economic pole. The following question arises: which are the arguments for the abovementioned assumption?

Iran's Decisive Pivot towards China

During 2020, on one hand political and economic tensions between the US and China escalated to an unprecedented level. This was demonstrated by political, trade and technological conflicts and opened the door for the "New Cold War" between superpowers. On the other hand, there were direct, limited military clashes between Iran and the US in Iraq that led to the killing of Iranian General Qasem Soleimani. As a response Iran attacked US Ayn al-Asad airbase with ballistic missiles.

Both facing the US pressure, Tehran and Beijing started negotiations on a 25-year long comprehensive cooperation plan, which would bring two sides closer to each other. Due to these negotiations China and Iran will strengthen their cooperation in political, economic, military and energy spheres. The first draft of the document was accepted by the Iranian president several months ago, but it still needs to get an approval by the Chinese side and the Iranian parliament. It is worth mentioning that Iran also plays an especially important role in China's Belt and Road Initiative. China's trains run to the Middle East and to the Persian Gulf through the Silk Road Economic Belt's Corridor, namely the China-Central Asia-Western Asia Economic Corridor. These trains use Central Asian and Iranian railway infrastructure. In turn, Iranian seaports located in the Persian Gulf play an important role in developing China's 21-st Century Maritime Silk Road. However, if Sino-Iranian political and logistic cooperation is growing, the Sino-Iranian trade, in contrast, is continually declining. For instance, according to [China's General Administration of Customs](#), the total trade between Iran and China reached \$23,025,129 in 2019, of which \$9,590,808 were Iran's imports from China and \$13,434,321 exports to China. Thus, compared to 2018, Iran's exports to China decreased by 36.3% and its imports decreased by 31.2%.

Iran and Eurasian Economic Union: Opportunities and Risks

During his visit to Moscow in February 2021 Iran's Parliament Speaker Mohammad Baqer Qalibaf announced that Tehran aims to become a full member of the Eurasian Economic Union (EAEU). This statement shows that Iran tries to strengthen its relations with the members of the Russian lead EAEU and find ways out from total isolation by the West and its allies in the Middle East.

Iran, a country that has always been trying to act independently, now tries to become a part of the EAEU. Of course, this does not only show Iran's pursuit of economic aims, but also reflects Moscow's political ambition to unite its allies in one political and economic strong group.

What will the EAEU membership bring to Iran?

1. First it will open the market of the EAEU's 180 million people for Iranian goods. In turn, Iran will also have to fully open its market for Russian, Armenian, Belarusian, Kazakhstani and Kyrgyz goods. The sides have already taken steps towards improving their trade relations, when on May 17, 2018, in the framework of the Astana Economic Forum they signed an Interim agreement leading to the formation of a free trade area between the member states of the Eurasian Economic Union and Iran. It entered into force on October 27, 2019. According to the Iranian "[Pars Today](#)" media agency, trade between Iran and the EAEU reached \$3,419 billion in 2020, which was 8% more as compared to the same period of 2019.
2. With this step Iran tries to strengthen its political and economic relations with the EAEU member states and repair its weakened positions in neighboring Central Asia and South Caucasus with the help of Kazakhstan, Kyrgyzstan and Armenia.
3. By becoming full member of the Russian lead EAEU, Iran tries to strengthen its security because it fears that the US will try to organize military campaign against Iran.

It is also worth mentioning, that there are some risks for EAEU member states, if Iran fully joins the organization. It means that Iran will bring the US sanctions into the Union. Countries like Armenia, Kazakhstan, Kyrgyzstan, which have good relations with the US and need its help for implementing reforms and for keeping balance of powers in their regions, would appear with Washington's No.1 foe in one political-economic block. In sum, in the short-term Armenia, Kazakhstan, Kyrgyzstan can get some economic benefits, but in the long term they can suffer great political and economic losses, if Iran becomes an EAEU full member without solving its problems with the US.

Conclusion

Iran step by step is becoming the main partner of the Sino-Russian tandem in the Middle East and tries to find its role in the Eastern political-economic pole, which is emerging after the conjunction of Russian lead EAEU and China's BRI in 2015. What is next? If Iran obtains full membership of the EAEU and signs the 25-year comprehensive cooperation plan with China, it will strengthen its political and economic security. However, in turn, Moscow, Yerevan, Nursultan, Minsk and Bishkek also need to calculate potential negative and positive consequences of providing full membership to Tehran. Maybe, taking into consideration the US heavy sanctions on Iran, it will be better, if for now the EAEU provides Iran only with an observer status until the time, when it gets rid of the US sanctions. In turn, Armenia can try to play a mediator's role in the US and Iran affairs, taking into considerations its constructive relations with both sides. However, as Armenia is still in turmoil after its heavy casualties after the second Artsakh (Nagorno Karabakh) war, it will take time till the situation in the country will be stabilized and it will be able to play the role of a mediator.



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