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Iran's Growing Role in Eurasian Transport and Communication Initiatives

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ABSTRACT

The purpose of the article is to study the growing role of Iran in Eurasian transport and communication initiatives. Due to its advantageous geopolitical and geo-economic position Iran is seen as an interesting partner for Russia, China and Central Asian countries. In the context of the transformation of the world order the Iranian leadership seeks to play a more significant role in regional economic and political processes, relying on its transport and transit potential. It is proved that Iran positions itself as a leading transport and logistics hub in Eurasia.

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The purpose of the article is to study the growing role of Iran in Eurasian transport and communication initiatives. Due to its advantageous geopolitical and geo-economic position Iran is seen as an interesting partner for Russia, China and Central Asian countries. In the context of the transformation of the world order the Iranian leadership seeks to play a more significant role in regional economic and political processes, relying on its transport and transit potential. It is proved that Iran positions itself as a leading transport and logistics hub in Eurasia.

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I. INTRODUCTION

The importance of the article is due to the need to study the growing role of Iran in the new political and economic conditions that emerged as a result of the transformation of the world order. The modern system of international relations is undergoing profound changes, accompanied by the rise of the "middle powers" and the strengthening of their regional and global influence. Describing the world order, the American scientist R. Haas rightly notes that "some countries fall, and others rise, the result of changing capacities, faltering wills, and growing ambitions."

Iran, located in the Middle East, has an advantageous geographical position in Eurasia. It creates a good opportunity for the development of the country's transit potential. Iran's access to the

seas and straits strengthens its strategic importance in the region and allows using this advantage as a means of achieving foreign policy goals. Iran's priority in foreign policy is to overcome international isolation by establishing closer trade and economic ties with regional states as well as integration into existing international transport and communication initiatives. The solution of this strategic task requires the Iranian leadership to pay close attention to the development of the country's transport infrastructure which will allow increasing transit cargo transportation. In recent years the Iranian leadership made a lot of efforts to improve its transport and communication potential and turned its large transit ports of Bandar Abbas and Chabahar into regional hubs.

The main purpose of the article is to analyze the growing role of Iran in the Eurasian economic and political processes. On the background of tense relations between Western countries and Russia Iran's transit capabilities and its competitive advantages within the framework of the common Eurasian transport and communication system are of great importance.

II. IRAN'S TRANSIT POTENTIAL AND ITS SIGNIFICANCE IN THE CONTEXT OF GLOBAL GEOPOLITICAL COMPETITION

Geopolitical tensions between Western countries and Russia triggered a process of reassessment of transport and communication corridors and a shift in focus to the southern direction of Eurasia where favorable conditions are gradually created for deepening trade and transit ties. The competition unfolds between several large Eurasian infrastructure projects promoted by leading geopolitical players – Russia and China. The emerging new geopolitical reality encourages

Iran to step up its efforts to strengthen and expand its regional positions by promoting transport and transit initiatives.

The main advantage of Iran in the struggle to strengthen its role in the Eurasian political and economic processes is its advantageous geopolitical position which consists in access to the seas and oceans. Iran has access to the Caspian Sea and through the Persian and Oman Gulfs he goes to the Indian Ocean. Thanks to this strategic position Iran strives to develop its transit potential, positioning itself as an important link in Eurasian transport and communication projects. On the one hand, the Iranian leadership pays close attention to the development and expansion of the internal transport infrastructure. Thus, in accordance with the long-term development strategy of Iran until 2025, the length of railways in the country should be 25 thousand km. The Iranian Parliament unanimously decided that 1% of the annual revenue from Iran's oil sales would be allocated for the development of railways. However, the authorities of the country not only focus on the expansion of railways but also make considerable efforts to create wide opportunities in seaports. In parallel with the development of the railway infrastructure Iran actively strives to develop a system of commercial ports in the Persian Gulf and on the coast of the Caspian Sea¹. On the other hand, a purposeful Iranian policy is pursued to expand cooperation with neighboring states in the transport sector and integration into transport projects promoted by them. The most promising for Iran is the International North-South Transport Corridor (INSTC), the agreement on the implementation of which was signed in September 2000. INSTC connects India, Iran and Russia into a single transport system and has significant potential to become an important link in Eurasian transport communications. If this route works at full capacity it will allow the countries of Eurasia to receive good trade and investment benefits². Until recently the potential

of INSTC was not fully used. It proves the insignificant flow of goods transported along this transport corridor. In many ways the development of the INSTC was not given due attention due to the lack of political will. In the context of the geopolitical confrontation between Western countries and Russia and changes in trade flows the role of the INSTC increases significantly. That is why Russia and Iran agreed to complete an important link of INSTC – the Rasht-Astara railway in the Iranian province of Gilan in January 2022. Russia agreed to allocate a loan of 1.3 billion euros out of the necessary 1.6 billion euros to finance this project. In case of completion of this section of the road INSTC will work in full force and increase the volume of trade between Russia, Iran, the Caspian states and India.

Iran's transit potential is one of the factors contributing to the strengthening of cooperation with the countries of Central Asia. It is about mutual interest when the countries of Central Asia that do not have access to the open sea respond positively to Iran's proposal to strengthen transport and communication cooperation. Thus, in September 2022, a meeting of the heads of departments of Iran and five Central Asian countries was held in Tehran where participants discussed issues of coordinated transport policy. During official meetings with the leadership of the republics the Iranian authorities constantly focus on their transit advantages. Thanks to the railway launched in 2014 on the Iran-Turkmenistan-Kazakhstan route, cargo traffic between these countries sharply increased. Currently, transport and logistics cooperation between Iran and Uzbekistan noticeably intensified. The desire to diversify its foreign economic relations pushes the Uzbek leadership to implement joint transport projects with Iran which open Uzbekistan access to the countries of South Asia. In this regard, the Iranian port of Chabahar is of interest to Uzbekistan which will increase the volume of trade not only with Iran but also with India. In September 2022 Iran and Uzbekistan agreed to organize pilot road cargo transportation through Chabahar. Gradually, the Iranian port of Chabahar is becoming a major trade and transit

¹<http://www.iimes.ru/?p=9804&ysclid=lnl9ycbzx932684216>

²<https://ru.valdaiclub.com/a/highlights/sever-yug-stroitelstv-o-transportnogo-karkasa-evrazii/?ysclid=lnl82h9tlk749553288>

hub in Eurasia. The desire to diversify foreign trade partners is also noticeable in the rest of the Central Asian countries. Their governments are interested in alternative transport routes leading to South Asian countries and Europe.

III. IRAN AS A PROSPECTIVE PARTNER OF THE CHINESE INFRASTRUCTURE INITIATIVE "THE BELT AND ROAD"

China's political leadership gives Iran a special place in its foreign policy plans in Eurasia. This is due to a number of factors. Firstly, China's interest in Iran is linked to its advantageous geopolitical position. "As the main force in the Persian Gulf region and a credible power in the Middle East, Iran connects these points to South Asia, Central Asia and the Caucasus." Secondly, Iran's transit potential is of interest for the implementation of China's geo-economic plans aimed at integration into a single transport and infrastructure system of countries located along the Silk Road. Thirdly, China is interested in Iran's hydrocarbon resources to satisfy its growing energy needs. In turn, the Iranian leadership needs Chinese investments to develop the economy. Thus, in accordance with the "Comprehensive Program of Cooperation between the Islamic Republic of Iran and the People's Republic of China", which was signed between the two powers in March 2021, the Chinese leadership intends to invest 120 billion dollars in the modernization of Iran's transport, industrial and social infrastructure³. The trade turnover between the two countries is growing rapidly. By the end of 2022 it reached 15.7 billion dollars.

Since the announcement of the Belt and Road initiative Iran showed interest in participating in it in the hope of reviving its special role as a link between the countries of the East and the West. In fact, the Chinese BRI opened a new chapter in bilateral cooperation between Iran and China. In Iran, China is perceived as an ally in resisting U.S. primacy. Convergence of views on the future configuration of the international system allows talking about the Sino-Iranian model of

cooperation that develops in the new geopolitical realities.

Several routes pass through the territory of Iran within the framework of the Chinese BRI. One of these railway routes China – Kazakhstan – Turkmenistan - Iran is the least fast compared to the sea route from Shanghai to Bandar Abbas and takes 15 days on the way. The second no less significant route is Iran – Afghanistan - Uzbekistan which connects China with Europe through the Middle East. However, the international sanctions imposed on Iran do not allow them to take full advantage of the broad economic opportunities offered by participation in the Chinese initiative. Nevertheless, such restrictions do not affect the foreign policy course of the Iranian establishment aimed at achieving regional leadership.

IV. CONCLUSIONS

Thus, due to its geostrategic position Iran has good opportunities for wider involvement in regional processes. The transit advantages allow Iran to play a significant role in the emerging Eurasian transport and logistics systems and position itself as the leading transport and logistics hub of Eurasia. In view of the global geopolitical competition that changed international trade flows, the importance of those countries that have significant transit potential and can offer attractive alternative routes is increasing. In this regard, Iran is a rather interesting partner acting as a bridge between North-South, East-West. At the same time, even under the conditions of international sanctions Iran has good opportunities to strengthen cooperation with Eurasian states and strengthen its role not only in Eurasian transport and communication projects but also in world politics as a whole.

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