## Iran and BRICS: realities, expectations and prospects Erkinkhon Rakhmatullozoda

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In the modern world, where globalization with all its vicissitudes and multipolarity are becoming increasingly noticeable trends, the formation and strengthening of interregional associations is of particular relevance. One such grouping that is attracting the attention of the world community is the BRICS group, that includes Brazil, Russia, India, China and South Africa, and to which Egypt, Iran, the UAE and Ethiopia joined earlier this year. These countries, possessing significant economic, political and cultural resources, strive to form a new world order based on justice, equality and mutual respect<sup>1, 2</sup>.

Iran, a country with a rich history and a unique geopolitical position, has recently shown particular interest in cooperation with the BRICS group. This is explained not only by Iran's desire to diversify its international relations, but also by common views on many world problems, including the need to reform the international financial system, counteract unipolarity and strengthen the role of developing countries in world processes<sup>3</sup>.

In recent years, relations between Iran and the BRICS countries have intensified significantly. This is reflected in increased trade volumes, cooperation in the fields of energy, science and technology, as well as joint efforts to resolve regional and global conflicts. Particular importance is attached to the development of transport corridors, such as North-South, which connect Iran with Russia and India, opening up new opportunities for economic interaction<sup>4</sup>.

<sup>&</sup>lt;sup>1</sup> Hurrell, A. (2006). Hegemony, liberalism and global order: what space for would-be great powers? *International Affairs*, 82(1), 1–19.

<sup>&</sup>lt;sup>2</sup> Stuenkel, O. (2015). The BRICS and the Future of Global Order. Lexington Books.

<sup>&</sup>lt;sup>3</sup> Cooper, A. F., & Farooq, A. B. (2015). BRICS and the Global South: Contested or Convergent? Third World Quarterly, 36(4), 741–756.

<sup>&</sup>lt;sup>4</sup> Esfandiary, D., & Tabatabai, A. (2018). Triple-Axis: Iran's Relations with Russia and China. International Affairs, 94(3), 509– 528.

However, Iran's cooperation with BRICS faces a number of obstacles. The sanctions imposed on Iran by Western countries limit the opportunities for full-fledged interaction in the economic sphere. In addition, differences in approaches to solving international issues sometimes lead to disagreements between Iran and individual BRICS members<sup>5</sup>.

In this context, the concept of "Dialogue of Civilizations" plays a special role, presupposing mutual understanding and respect for cultural and religious differences, as well as the desire for peaceful coexistence and cooperation. Iran, being one of the initiators of this idea, sees in it the basis for building mutually beneficial relations with BRICS and other countries of the world.

In light of the above, it seems that the study of the realities, expectations and prospects of Iran's cooperation with the BRICS group is of undoubted interest. At the same time, consideration of the concept of "Dialogue of Civilizations" put forward by Iran in the early 2000s, analysis of the reflection of its fundamental principles on the process of implementing Iran's foreign policy, especially in the light of statements about the stalling of this idea, will provide us with a good opportunity to get to the bottom of the truth.

Iran, even before the formation by other BRICS members of a group under this name, had a long history of interaction with them, which spanned several decades, and with some of these countries – several centuries, or even millennia. These relations developed against the backdrop of a changing geopolitical situation and mutual interests of the parties in various fields, including economics, energy and politics..

Since its creation at the beginning of the 21st century, the BRICS group has attracted the attention of Iran as a potential partner for cooperation. Interaction has developed primarily in trade, especially in the field of oil and

<sup>&</sup>lt;sup>5</sup> Vaez, A. (2019). Iran's Tangled Web of Foreign Relations. Foreign Affairs, 98(2), 86–97.

gas, since Iran is known to be one of the largest energy producers in the world. The BRICS countries, in turn, are interested in diversifying their energy sources and strengthening energy security.

In the 2000s, relations between Iran and the BRICS countries deepened, especially those with Russia and China. These countries have become Iran's key trading partners, as well as important players in the development of its infrastructure and energy sector. Iran has also sought to strengthen ties with India and Brazil, especially in technology and agriculture.

For many years now, against the backdrop of increasing pressure from almost comprehensive sanctions from Western countries, Iran has been increasingly actively looking for ways to cooperate with other states, and here BRICS represents an attractive alternative to traditional Western partners. In this context, Iran's participation in the Shanghai Cooperation Organization (SCO), where the BRICS countries play a leading role, has acquired particular significance. In such a situation, Iran's entry into BRICS as a full member was a completely predictable, logical step which happened, as noted earlier, in January of this year.

Even before this event, the country's intellectual elite and Iran's political science community, both domestically and abroad, analyzed the consequences of this step, scrupulously highlighting its pros and cons. Based on this analysis, we will try to find out the attitude of Iranians towards issues related to BRICS.

Iran perceived the emergence of "new forces" (as the Iranians call them – E.R.) represented by China and India, as well as the full return of Russia to the international arena and formation of BRICS by them, as a change in the balance of power in international affairs and an intensification of the trend towards the formation of a multipolar world.

Another distinctive feature of the process of "demanding change" initiated by BRICS is considered to be certain directions or nuances of the foreign policy of the main members of BRICS – China and Russia. For

example, it is noted that "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era" refers to the "Chinese Dream" by analogy with the "American Dream". With the creation of the Asian Infrastructure Investment Bank and the "One Belt, One Road" project, China shows its intention to strengthen its international position through cooperation with "new forces", inviting, for example, in 2017 Egypt, Tajikistan, Kenya and Mexico to the "BRICS Plus" project<sup>6</sup>.

A similar problem affected other states of the group, for example, Brazil. It spoke out in 2003 against the US's demand for a military base in Amazonia and worked hard to prevent the US from establishing a similar base in Colombia. Also in 2003, Brazil repeatedly opposed the US attack on Iraq in very strong terms. As for South Africa, a country that is called Africa's Gateway and that independently produces 23% of Africa's GDP, in recent years it has made a lot of efforts to maintain its dominance in the surrounding region and has successfully resisted the expansionist policies of the United States. It perceived BRICS as an anti-American organization.

The creation of BRICS showed the presence of a will to change the existing world order. At the first BRICS ministerial meeting in 2009 in Yekaterinburg, it was emphasized that "the Ministers once again confirmed that today's world order must be based on international law and strengthening the principle of multipolarity"<sup>7</sup>.

Iranian analysts point out that Iran's membership in BRICS means cooperation with two countries with the largest population in the world, three nuclear states, two permanent members of the UN Security Council, the largest, in terms of territory, state, the first powers of Latin America and Africa, the second economy in the world and a number of other preferences, although the main political issue between Iran and BRICS remains the confrontation, albeit

 <sup>&</sup>lt;sup>6</sup> Simbar, Reza. Rezapur, Daniyal. Fazeli, Samon. Opportunities for Iran to play a role in BRICS in the transition to a multipolar international system. Weekly journal "Strategic and Big Politics" No. 7 (special issue) (in Persian)
<sup>7</sup> Ibid.

to varying degrees, with American monopolarity. It should probably be especially emphasized that all current BRICS members, with the exception of Russia, are members or observers of the Non-Aligned Movement. Tehran believes that Iran's voice in BRICS will be louder, since the voice of Iran alone is the voice of half a percent of the world economy, and the voice of Iran being a member of BRICS is the voice of 27% of the world economy.

Speaking about the economic potential of BRICS, the authors emphasize that during the financial crisis of 2008, the importance of the organization increased many times over. Between 2008 and 2011, the growth rate of developed countries was 0.29% when the BRICS indicators were 6.87%. The economies of the member countries played the role of engine in ridding the world of this crisis and economic depression. This case showed that BRICS has the power to save humanity from such a crisis – the largest since 1930<sup>8</sup>.

However, the current world economic order is designed to please the United States and the West as a whole, which can be illustrated with one example. Despite all the indicators we've talked about, the BRICS members hold 11 percent of the voting power in the International Monetary Fund, while the US alone holds 17 percent. That is, within the framework of the Bretton Woods Institutions, the BRICS members are not assigned the very first roles at all.

Nevertheless, Iran's current relationship with BRICS is characterized by a desire for increased cooperation in various areas, including trade, investment, technology and education. Iran is interested in using the experience and resources of the BRICS countries to implement its economic and social projects, to strengthen its international position, as well as to create a multipolar world order and strengthen regional and global security.

In addition to economic and energy cooperation, Iran and the BRICS countries are also developing collaboration in the field of security and politics,

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striving for a more equitable international order. This convergence of interests contributes to deepening the dialogue between Iran and the BRICS group at various international platforms.

Iran seeks to strengthen and expand economic ties with the BRICS group, considering this cooperation as a key element of its foreign economic strategy. Iran's economic expectations of interaction with BRICS cover several key aspects.

Economics is the main area of cooperation between Iran and BRICS. Countries in the group are among Iran's major trading partners, with China and India accounting for a significant share of Iran's foreign trade. These states actively interact with Iran in the field of energy, including the import of oil and gas, as well as the development of infrastructure and technologies for the production and processing of hydrocarbons<sup>9</sup>.

Iran is interested in increasing the volume of mutual trade with the BRICS countries. This includes not only energy exports, but also the supply of Iranian goods and services in sectors such as agriculture, chemicals, engineering and tourism. In return, Iran seeks to import high-tech products, equipment and consumer goods from the BRICS countries.

The country is primarily interested in attracting foreign direct investment from the BRICS countries to develop its economy. Particular attention is paid to investments in infrastructure projects such as transport, energy and communications, as well as in high-tech industries, including petrochemicals, biotechnology and information technology. Iran hopes to use the investment to modernize its industry and increase its competitiveness in the global market.<sup>10</sup>

As part of its Belt and Road Initiative, China is actively investing in infrastructure projects in Iran, including railways, roads, ports and energy facilities. Russia and Iran are cooperating in the field of nuclear energy, inter

<sup>&</sup>lt;sup>9</sup> Esfandiary, D., & Tabatabai, A. (2018). Triple-Axis: Iran's Relations with Russia and China. International Affairs, 94(3), 509– 528.

<sup>&</sup>lt;sup>10</sup> Koolaee, E., & Zargarinejad, G. (2017). Iran and BRICS: A Realistic Appraisal of Iran's Foreign Policy in the Multipolar World. Iranian Review of Foreign Affairs, 8(1), 7–34.

alia within the framework of the project for the construction of the Bushehr nuclear power plant<sup>11</sup>.

Under international sanctions, Iran is interested in expanding financial cooperation with BRICS. This includes the ability of access to banking services, loans and investment funds, as well as the development of mechanisms for mutual settlements in national currencies to reduce dependence on the US dollar. Speaking in Johannesburg, Iranian President Raisi emphasized that his country supports the BRICS desire for de-dollarization and greater use of national currencies<sup>12</sup>. This strategy is very close to the heart of Iran. Cooperation within the BRICS New Development Bank could provide Iran with additional opportunities to finance infrastructure and development projects<sup>13</sup>.

"With Iran's membership in this group, most of the country's export problems will be solved through the huge market of member countries. We will also be able to solve many problems associated with the import of equipment..." "One of the other opportunities being opened up to us is to use the potential of the North-South transport corridor"<sup>14</sup>, notes one of Iran's specialized websites. With the launch of this corridor, Iran will have additional 20 billion US dollars in income.

Iran seeks cooperation with BRICS in the field of advanced technologies, including nuclear energy, space research, nanotechnology and information technology. Technological exchange and joint research projects can help to develop Iran's innovative potential and strengthen its scientific and technological cooperation with the BRICS countries.

In general, Iran's economic expectations from cooperation with BRICS are aimed at strengthening economic independence, diversifying sources of growth and integrating into the global economy. The successful development of

<sup>&</sup>lt;sup>11</sup> Vaez, A. (2019). Iran's Tangled Web of Foreign Relations. Foreign Affairs, 98(2), 86–97.

<sup>&</sup>lt;sup>12</sup> Mahdi S.Z. (2023). Economics and politics: What BRICS membership means for Iran.

https://www.aa.com.tr/en/world/economics-and-politics-what-brics-membership-means-for-iran/2977551 <sup>13</sup> Ibid.

<sup>&</sup>lt;sup>14</sup> Zakeri, M. (1452). Benefits of Iran's membership in BRICS <u>https://mag.pouyanbroker.com/benefits-of-irans-membership-in-brics/</u> (in Persian)

economic relations with BRICS can contribute to the sustainable economic development of Iran and strengthen its position in the international arena.

In the political sphere, Iran views cooperation with BRICS as an important element of its strategy to strengthen its international position and counter pressure from the West. Iran's expectations from political interaction with BRICS include a number of aspects.

The country maintains a dialogue with the BRICS countries on issues of international security, regional stability and the fight against terrorism. Other member countries, in turn, advocate a fair solution to the issue of the Iranian nuclear program and support efforts to resolve conflicts in the Middle East.

Supporting the idea of a multipolar world and striving for cooperation with BRICS in order to weaken the hegemony of the United States and its allies in the international arena is one of Iran's main goals. Iran expects that strengthening ties with BRICS will help to promote an alternative agenda in global politics and strengthen international cooperation based on mutual respect and sovereignty of states<sup>15</sup>.

Ensuring regional security and stability, especially in the Middle East, is another important goal of Iran. Iran hopes that BRICS will support its position on issues such as the fight against terrorism, conflict resolution in Syria, Iraq and Yemen, as well as on the Palestinian-Israeli conflict<sup>16</sup>.

Iran counts on the support of the BRICS countries in the issue of peaceful uses of nuclear energy and protection of its right to develop a nuclear program in accordance with the Nuclear Non-Proliferation Treaty (NPT). The Islamic Republic of Iran expects that BRICS will oppose unilateral sanctions and pressure from the United States in connection with its nuclear program<sup>17</sup>.

The desire for active participation in international organizations and forums together with BRICS, such as the Shanghai Cooperation Organization

<sup>&</sup>lt;sup>15</sup> Koolaee, E., & Zargarinejad, G. (2017). Iran and BRICS: A Realistic Appraisal of Iran's Foreign Policy in the Multipolar World. Iranian Review of Foreign Affairs, 8(1), 7–34.

<sup>&</sup>lt;sup>16</sup> Esfandiary, D., & Tabatabai, A. (2018). Triple-Axis: Iran's Relations with Russia and China. International Affairs, 94(3), 509–528.

<sup>&</sup>lt;sup>17</sup> Vaez, A. (2019). Iran's Tangled Web of Foreign Relations. Foreign Affairs, 98(2), 86–97.

(SCO), the Group of 77 and the Non-Aligned Movement, is the essence of another area of foreign policy of Iran, which expects that cooperation with BRICS will help to strengthen its position in these organizations and contribute to the promotion of joint initiatives in the international arena<sup>18</sup>.

In general, Iran views cooperation with BRICS as an important tool for strengthening its international status, countering external pressure and promoting its interests on the global stage.

Energy cooperation is central to Iran's relations with the BRICS group, given Iran's significant resources and the growing demand for energy in the BRICS countries.

In general, Iran views cooperation with BRICS in the energy sector as an important factor in strengthening its economic and political position, as well as a means of diversifying its energy markets and attracting investment in this sector.

Thus, cooperation between Iran and BRICS has significant potential in various fields, which opens up prospects for deepening interaction and implementing joint projects.

1. The energy sector remains one of the main areas of cooperation between Iran and BRICS, given the rich hydrocarbon reserves in Iran and the high demand for energy resources from the BRICS countries.

2. Expanding trade relations and attracting investment from the BRICS countries can help to diversify Iran's economy and strengthen its economic sovereignty. Cooperation may cover sectors such as agriculture, mechanical engineering, chemical industry, tourism and high-tech industries.

3. Iran has a strategic geographical location that can be used to develop transport corridors connecting the BRICS countries with the regions of the Middle East, Central Asia and Europe.

<sup>&</sup>lt;sup>18</sup> Stuenkel, O. (2015). The BRICS and the Future of Global Order. Lexington Books.

4. The exchange of knowledge and technology between Iran and the BRICS countries can contribute to the development of scientific and technological potential and innovation. Possible areas of cooperation include joint scientific research, development of advanced topics in the field of information technology, biotechnology, nanotechnology and space research.

In general, the prospects for cooperation between Iran and BRICS cover a wide range of areas, which opens up opportunities for deepening interaction and implementing joint projects that contribute to the sustainable development and prosperity of all parties involved.

Along with this, although cooperation between Iran and the BRICS countries has significant potential, there are considerable obstacles and challenges that can create serious problems on the path of fruitful cooperation with the BRICS countries.

One of the main obstacles to Iran's cooperation with BRICS is the international sanctions imposed against Iran, especially by the United States. Sanctions limit Iran's access to international financial systems, impede trade and investment, and create risks for foreign companies doing business with Iran.. Let's take a look at the opinions of Iranian experts:

"The accuracy of the Iranian claim that BRICS membership is a "historic achievement" can be tested by how much foreign direct investment the country receives from member countries of the organization. Given the huge European and American sanctions imposed on Iranian banking and economic institutions, it is very difficult to imagine that public and private enterprises [of member countries] will be willing to risk their operations in the West"<sup>19</sup>.

"Experience has also shown that once Iran is under pressure from fewer sanctions, the BRICS countries show more willingness to cooperate with Iran... In general, the prospect of enhanced cooperation with BRICS without sanctions is much greater than in a situation with sanctions. Therefore, in order to

<sup>&</sup>lt;sup>19</sup> Sariolghalam, M. (2023). Will BRICS membership recast Iran's foreign policy? <u>https://www.mei.edu/publications/will-brics-membership-recast-irans-foreign-policy</u>

cooperate with BRICS, the general positioning should be the complete lifting of sanctions"<sup>20</sup>.

"Strengthening economic ties with Europe will become the basis for maintaining balance in relations and absence of dependence on BRICS. If Iran is under EU sanctions, given the close cooperation of many BRICS members with the European Union, they will be less willing to cooperate with Iran<sup>21</sup>.

Despite common interests, there are political differences between Iran, positions of which are sometimes rigidly dictated by the conservative ruling majority operating with "revolutionary" rhetoric, and the BRICS countries on a number of regional and international issues. These differences can influence the depth and breadth of cooperation.

Differences in economic structures and levels of development between Iran and the BRICS countries may create difficulties in coordinating joint projects and mutual investments. In addition, competition for markets and resources may become an obstacle to cooperation in some areas.

In general, overcoming these obstacles and challenges will require coordinated efforts on the part of Iran and the BRICS countries, as well as flexibility and innovative approaches to cooperation.

And here each of us will think that at the beginning of the new millennium, Iran once again recalled its civilizational roots and, through the mouth of its President Sayyid Muhammad Khatami, put forward the idea of a "Dialogue of Civilizations" as opposed to Mr. Huntington's theory, and that humanity has no other way than to learn to talk to each other.

However, some time after the UN declared 2001 the Year of Dialogue of Civilizations, somewhat pessimistic assessments of the situation appeared

<sup>&</sup>lt;sup>20</sup> Simbar, Reza. Rezapur, Daniyal. Fazeli, Samon. Opportunities for Iran to play a role in BRICS in the transition to a multipolar international system. Weekly journal "Strategic and Big Politics" No. 7 (special issue) (in Persian) <u>https://www.jmsp.ir/article 102465.html</u>

<sup>&</sup>lt;sup>21</sup> Tisheyar, M. (1452) Iran, BRICS and post-polar era (in Persian) <u>http://irdiplomacy.ir/fa/news/2021985/%D8%A7%DB%8C%D8%B1%D8%A7%D9%86-</u> <u>%D8%A8%D8%B1%DB%8C%DA%A9%D8%B3-%D9%88-%D8%B9%D8%B5%D8%B1-</u> %D9%BE%D8%B3%D8%A7%D9%82%D8%B7%D8%A8%DB%8C

stating that there were no real results towards the acceptance of these ideas<sup>22</sup>. Iran, despite the reshuffles in its governments, changing reformers to conservatives and vice versa, never forgot about its civilizational responsibilities and actively promoted this idea wherever possible. It seems that now, with the expansion of BRICS – a process that is far from over – there is an opportunity to begin a dialogue among members of this organization representing diverse cultures and civilizations and adhering to the principles of multiculturalism and mutual respect. Considering that there are 40 states that have expressed interest in joining BRICS, the importance of such a dialogue will only increase. I hope that we will soon witness the kind of dialogue that humanity is waiting for.

Thank you!

## Abstract

The article examines the relations of Iran, which recently became a member of the BRICS group (formerly consisting of Brazil, Russia, India, China, South Africa) in the context of global political and economic processes. The historical context and current state of Iran's relations with these countries are analyzed, Iran's expectations from cooperation with BRICS are assessed, as well as the prospects for the development of these relations in the future.

The article emphasizes the importance of the concept of "Dialogue of Civilizations" as the basis for intercultural and economic interaction between Iran and the BRICS countries. Possible areas of cooperation are considered, including energy, trade, investment, science and technology, as well as obstacles and challenges faced by the parties in the process of interaction.

The author concludes that strengthening ties between Iran and BRICS can contribute not only to economic development and political stability, but also to

<sup>&</sup>lt;sup>22</sup> Popov V.V. (2012) Why is the dialogue of civilizations stalling? Bulletin of MGIMO University No. 4(25) pp. 147–154.

the strengthening of a multipolar world based on the principles of justice, equality and mutual respect.

**Key words:** BRICS, Iran, dialogue of civilizations, de-dollarization, monopolarity, multipolarity

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