





The Impact of Western Sanctions on the “Look to the East” Policy of the Islamic Republic of Iran (2000–2023)

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Western sanctions against Iran are partly rooted in the independence-seeking nature of the Islamic Republic of Iran and partly due to the United States' unilateralist policies. These sanctions have created constraints in Iran's economic, financial, and foreign policy domains. The present article seeks to examine Iran's inclination toward cooperation with the East as a strategy to reduce the pressure of Western sanctions and to achieve its national goals and interests. The main question is: What impact have sanctions from 2000 to 2023 had on the “Look to the East” policy of the Islamic Republic of Iran? The hypothesis states: "Given the multipolar balance of power structure at the beginning of the 21st century on the one hand, and Iran's emergence as a regional power on the other, it appears that intensified sanctions have increased tensions between Iran and the West and led the Islamic Republic of Iran to adopt a Look to the East policy." This article, using the theoretical framework of neorealism and a descriptive-analytical method with an emphasis on the multipolar international system, examines Western sanctions, Iran's Look to the East policy, Iran's rise as a regional power, and the characteristics of emerging Eastern powers. The findings of this study indicate that Western sanctions against Iran have disrupted the country's economic, developmental, and livelihood sectors. By employing inward balancing to empower itself and outward balancing through the Look to the East policy and cooperation with Eastern powers, Iran has managed to reduce the pressure of Western sanctions. From the perspective of economic development, interaction with the East is beneficial for attracting investment and technology. Politically, it also signifies Iran's non-isolation.

Keywords: Iran, Western sanctions, Look to the East policy, inward balancing, outward balancing.

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1. Introduction

With the victory of the Islamic Revolution in Iran in 1979, amid a bipolar world order and due to its independence-seeking and anti-hegemonic nature and religious identity, Iran adopted a non-aligned orientation in its foreign policy. The Western bloc, led by the United States—which had lost a key ally with the fall of the Shah and found its position in this strategic region

and energy-rich country weakened—entered into confrontation with Islamic Iran. Western sanctions against Iran stemmed on the one hand from Iran's independence-oriented stance and on the other from the United States' unilateralist policy.

Following the collapse of the Soviet Union, a unipolar international system dominated by U.S. hegemony was established, signifying the dominance of the capitalist economic order. These developments coincided with the



end of the Iran-Iraq war and marked a turning point in Iran's foreign policy, which, while maintaining its non-aligned orientation, adopted economic pragmatism and a policy of *détente*. This approach continued into the early 21st century. Iran's proposal of the "Dialogue of Civilizations" and its acceptance of the Joint Comprehensive Plan of Action (JCPOA) were consistent with its policy of reducing tensions.

The pressure of Western sanctions on Iran, within a multipolar international system, led Iran to gravitate toward cooperation with emerging Eastern powers. The necessity of writing this article lies in exploring strategies for economic development, opening Iran's foreign policy constraints on the international stage, and neutralizing the effects of sanctions.

The central question is: *What impact have sanctions from 2000 to 2023 had on the "Look to the East" policy of the Islamic Republic of Iran?* The hypothesis is: "Given the multipolar structure of the balance of power at the beginning of the 21st century on the one hand, and Iran's emergence as a regional power on the other, it appears that the intensification of sanctions has increased tensions between Iran and the West and led the Islamic Republic of Iran to adopt a Look to the East policy."

Using a descriptive-analytical method and relying on library sources and credible websites, this article examines Western sanctions and cooperation with the East. The findings suggest that in order to neutralize and reduce the pressure of Western sanctions—which have affected Iran's economy, development, and people's livelihoods, and have limited its vital space—Iran, alongside *inward balancing* and self-empowerment, has also pursued *outward balancing* through the Look to the East policy and cooperation with major Eastern industrial powers.

The objective of this research is, first, to examine Western sanctions and their aim of altering Iran's political behavior by exerting pressure on the population, and second, to explore the Look to the East policy and the opportunities available through cooperation with emerging Eastern powers, either bilaterally or within frameworks such as the Shanghai Cooperation Organization and the BRICS group. This article, following the theoretical framework and review of the literature, discusses Western sanctions, the Look to the East policy, balancing strategies, conclusions, and recommendations.

2. Theoretical Framework

Neorealism is the most appropriate theoretical framework for explaining the topic of this article. On the one hand, due to the influential role of great powers, a theoretical framework capable of offering a macro and structural perspective is necessary. On the other hand, given Iran's geopolitical features—situated like a vital crossroads among key surrounding regions and historically occupied by major powers during the First and Second World Wars—security-centeredness has always been the most important feature of Iran's foreign policy. Thus, neorealism is also suitable from this perspective.

Neorealism, like classical realism, believes in power centrality, state-centrism, the balance of power, rationality, and the anarchic nature of the international system. However, unlike classical realism, which operates on a micro-level analysis, neorealism is based on macro-level analysis and is founded on Kenneth Waltz's "third image." It views foreign policy from the outside-in and considers the international system—especially its anarchic nature—as the decisive factor influencing state behavior.

The central question of structural realism is: *Why do countries with different political systems, geographical locations, and ideological differences exhibit similar behavior in foreign policy?* Proponents of this theory believe the answer lies in the nature of the international system and the constraints it imposes on different states (Dehghani Firouzabadi, 2012).

Under the influence of the anarchic structure of the international system, states do not trust one another, aim to maximize their relative power, and seek to ensure their survival. According to neorealism, the anarchic nature of the international system is the main factor shaping foreign policy. Waltz argues that "structure" refers to the arrangement of units in the international system based on power and capabilities. The structure of the international system is defined by its poles and power centers. Accordingly, structural changes—or changes in the distribution of power—are the most important determinant of states' foreign behavior (Dehghani Firouzabadi, 2012).

Defensive neorealism emphasizes balancing: states that perceive threats increase their capabilities through inward balancing and form alliances through outward

balancing. They focus on balancing threats rather than maximizing absolute power. In contrast, offensive realists focus on increasing relative power and weakening rivals.

The main variable influencing the orientation and objectives of a country's foreign policy, including Iran, is the transformation of the international system, though other factors also play a role.

In the post-Soviet unipolar order, other powers like China and Russia used non-military cooperation and soft balancing to counter the hegemon's influence without direct confrontation. Through soft balancing principles, the unipolar system can gradually shift from a command-based order to a non-command-based one, eventually transitioning into a multipolar system.

Following the Islamic Revolution, Iran's independence-seeking stance, the slogan "Neither East, Nor West," and its non-aligned foreign policy orientation were well-aligned with the bipolar world order. After the Soviet collapse, the U.S.-led unipolar system was established. In this period, emerging powers such as China and Russia sought to counter U.S. unilateralism through "soft balance of power" strategies—eschewing direct confrontation while strengthening their national development.

The Islamic Republic of Iran has likewise enhanced its capabilities through inward balancing and, through outward balancing and cooperation with emerging Eastern powers like China, Russia, and India, and by joining the Shanghai Cooperation Organization and BRICS, has broken free from political isolation and created broader space for economic growth. The concept of "strategic patience" appears to be assessable in line with "soft balancing policy."

3. Literature Review

Among scholars who have addressed this issue are Saqafi Amiri (2008) and Dehghani Firouzabadi (2022). In his book *Iran and the Look to the East Policy*, Nasser Saqafi Amiri introduces the Look to the East policy in the context of Iran's search for new horizons in its foreign relations. He analyzes bilateral relations, multilateral and regional cooperation, the opportunities and challenges of the Look to the East policy, and Iran's foreign policy in light of this approach up to 2008, coinciding with President Ahmadinejad's term.

Dehghani Firouzabadi also analyzes this policy approach during Ahmadinejad's presidency in his book *The Foreign Policy of the Islamic Republic of Iran*, in the chapter on the Look to the East policy.

Regarding sanctions, the book *The Art of Sanctions: A View from the Field* by Richard Nephew—chief architect of sanctions against Iran leading up to the JCPOA—presents sanctions from the dual perspective of pain and endurance. He explores how, when, and where to impose sanctions, how to measure the target's endurance, and how to adjust sanctions to maximize their impact so diplomacy can eventually be employed to the sanctioner's benefit. He asserts that "sanctions, as a strategic tool in U.S. foreign policy, involve the creative use of economic, social, and political instruments" (Shirazi, 2018). The book outlines the design, guidelines, implementation, monitoring, adjustment, and outcome assessment of sanctions.

Other studies have addressed various components individually, such as sanctions, the JCPOA, the Look to the East policy, emerging Eastern powers, and organizations like the Shanghai Cooperation Organization and BRICS.

The innovation of this article lies in examining all these interconnected variables within a unified framework. Another advantage is its assessment of recent developments up to the present, including the administration of President Ebrahim Raisi. A further contribution is its exploration of the correlation between Iran's foreign policy transformations and the evolving structure of the international system—from bipolarity to unipolarity and then to multipolarity—using the neorealist framework.

4. Western Sanctions Against the Islamic Republic of Iran

Western sanctions against Iran, which began after the victory of the Islamic Revolution, have been driven on the one hand by the independence-seeking nature, religious identity, and non-aligned orientation of the Islamic Republic of Iran's foreign policy, and on the other hand by the unilateralist policy of the United States. These sanctions have included those imposed by the U.S. government and Congress, the European Union, and the United Nations.

4.1. *Objectives of Sanctions – The Purpose Is to Inflict Hardship, Pain, and Failure*

The objective of sanctions is to create hardship such that the targeted country is compelled to alter its behavior. Institutions and states targeted by sanctions must feel the pain to a degree that forces them to adopt different actions. Strategically, sanctions pursue the same goals as military operations: to compel the opposing side to choose either the path of compromise or confrontation. When the target state refuses to change its behavior, the sanctioning party increases pressure to the point that the targeted country is persuaded to do something it would not do in the absence of such pressure. The sanctioning state must be able to align the pressure mechanisms with its diplomatic goals to achieve desired outcomes.

Types of sanctions include economic, political and diplomatic, military, and technological sanctions. Economic and financial sanctions exert the greatest impact, as they aim to deny access to and use of economic resources and deprive the target of opportunities and tools for economic action (Raees Al-Sadat, 2021). Overall, the goal of sanctions is to create harsh economic and living conditions, foster social dissatisfaction and unrest, and force the Iranian government to submit to Western demands concerning nuclear activity, missile development, regional influence, and international conduct.

4.2. *Major Sanctions*

(a) *CISADA (Comprehensive Iran Sanctions, Accountability, and Divestment Act)* – Responsibility and restriction of investment. This law was passed by the U.S. Congress in 2010 following United Nations Security Council Resolution 1929, adopted on June 10, 2010, and signed into law by President Obama. Section 104 (comprehensive financial sanctions) forms the core of pressure against Iran. Unless this law is repealed, no sanction can effectively be lifted. It is considered the most pivotal law targeting Iran's nuclear-related activities. In fact, it represents the domestic implementation of UNSC Resolution 1929, passed in June 2010 (Mizan News Agency, January 18, 2016).

(b) *CAATSA (Countering America's Adversaries Through Sanctions Act)* – Passed by the U.S. Congress and Senate on July 26, 2017, targeting Iran, Russia, and North Korea,

and signed into law by President Trump on August 2, 2017 (Asr Iran News, October 8, 2017).

(c) *ISA (Iran Sanctions Act)* – Prohibits the purchase of Iranian oil.

(d) *ILSA (Iran and Libya Sanctions Act)* – Known as the D'Amato Act, passed in August 1996, targeting oil companies investing in Iran and Libya's oil and gas sectors (Asr Iran News, October 8, 2017, citing ISNA).

(e) *Post-JCPOA Sanctions* – After the U.S. withdrawal from the JCPOA under the Trump administration, the first phase of sanctions was reinstated on August 6, 2018, covering all previous U.S. sanctions dating back to 1979. The second phase began on November 4, 2018, instituting maximum and comprehensive sanctions across all sectors.

Under President Obama in 2012, Iran was subjected to the most severe sanctions, known as "crippling sanctions," which included a ban on purchasing Iranian oil and gas, banking and financial operations, and disconnecting Iran from the global SWIFT financial messaging system. These sanctions caused the value of the Iranian rial to drop to one-third of its former value against the U.S. dollar. Despite Iran's full compliance with the JCPOA, the U.S. and the European Union failed to honor their commitments. On May 8, 2018, President Donald Trump formally withdrew the United States from the JCPOA. Subsequently, SWIFT suspended its services to Iran's central bank and financial system. The EU also joined in strategic alignment with U.S. sanctions against Iran.

United Nations Security Council sanctions against Iran (nuclear-related resolutions) include: Resolution 1696 (December 2006), Resolution 1747 (March 2007), Resolution 1803 (March 2008), Resolution 1835, Resolution 1929 (June 10, 2010), Resolution 1984, and Resolution 2231. Among these, Resolution 1929, adopted on June 10, 2010, is the most significant.

4.3. *Consequences of Sanctions*

Prior to the Obama-era sanctions in 2011, Iran's daily oil exports reached two million barrels. Following sanctions, this figure dropped to one million barrels per day. During the post-JCPOA sanctions in 2018, oil exports declined from 2.5 million barrels to 470,000 barrels per day.

With each round of sanctions over the past 45 years, the value of Iran's national currency has declined against the

U.S. dollar. Rising foreign exchange rates caused inflation and economic hardship for the public, leading to social unrest. Exchange rate shocks resulting from sanctions are depicted in Chart 1, which illustrates the increase in the U.S. dollar exchange rate from 2009 to 2020. The chart shows sharp increases in 2012, during the Obama-era sanctions, and in 2018, following Trump's withdrawal from the JCPOA. In the first spike under Obama, the dollar rose from 9,970 to 31,830 rials, and in the second under Trump, it surged from 40,450 to 231,500 rials, producing major currency shocks.

Thus, increased sanctions, along with resulting inflation and exchange rate hikes, disrupted people's livelihoods and led to social tensions. Politically, they created distrust between the government and citizens and deterred foreign investment in national development. Industrial and technological progress also slowed. Nevertheless, Western pressure did not compel Iran to adopt the behavioral changes sought by the West. On the contrary, Iran adopted the "Look to the East" policy.

5. The Widening Gap Between Iran and the West

Iran's desire for independence has always been rooted in its historical and Islamic-Iranian civilizational background. Since the Islamic Revolution, the United States has pursued two approaches toward Iran: one aiming to change Iran's behavior, and another seeking regime change by various means.

"Proponents of behavior change view U.S. diplomatic experience with China as a regional power in the 1970s as a model for the success of dialogue-based diplomacy" (Vaedi, 2003). "Supporters of regime change wish to eliminate their most intransigent adversary" (Vaedi, 2003).

"The European Union, as an integral part of the Western value system, has accepted U.S. supremacy" (Khalouzadeh, 2003). "We must acknowledge that Europe not only has no intention of opposing the United States but lacks the capability to do so" (Koolae, 2004, pp. 11–17). "The EU is heavily dependent on the U.S. for security, as the U.S. can respond to any global threat" (Jafari Veldani, 2003). Thus, the EU fully aligns with the anti-Iranian policies of the United States.

Even if current issues and conflicts between Iran and the West are temporarily resolved through cooperation, new conflicts are likely to emerge in different forms. This is due to the fundamental incompatibility between the

independence- and justice-oriented nature of the Islamic Republic of Iran and the strategic objectives of the Western bloc.

Fareed Zakaria stated: "Iran is a proud and nationalist country imbued with a strong sense of historical greatness. It is the heir to one of the world's great civilizations, which fosters national pride. Moreover, its political leaders hold an ideology deeply embedded in the state apparatus. Confronting nationalism and ideology has always been challenging. The path both countries are on is comfortable for them, despite being full of tensions and misunderstandings—and even carrying the risk of war" (Zakaria, 2024).

After the Iran-Iraq war and the collapse of the Soviet Union, Iran adopted an economy-centered and détente-oriented approach. This continued into the 21st century. Iran proposed the "Dialogue of Civilizations" at the United Nations, whereas the U.S. placed Iran in the "Axis of Evil." Iran showed maximum flexibility in nuclear negotiations and fulfilled all of its commitments. In contrast, the West reneged on its promises.

Therefore, the Iranian government—operating as a rational and unified entity—became increasingly distrustful of Western policies and objectives in light of continued harsh sanctions despite its cooperation. Consequently, it sought diversification.

At the beginning of the 21st century, the international system experienced significant transformation. The emergence of new powers—China, Russia, and India—indicated a shift toward a multipolar global order. This expanded Iran's room for maneuver on regional and international fronts. Simultaneously, Western sanctions intensified. As a result, the Islamic Republic of Iran adopted the "Look to the East" policy as a strategic response.

6. The "Look to the East" Policy

Following the end of the Iran-Iraq War and in parallel with international developments, the collapse of the Soviet Union, the dissolution of the bipolar international system, and the emergence of a unipolar order dominated by U.S. hegemony and unilateralism, the Central Asian and Caucasus states also gained independence. In the post-September 11 period, the world witnessed U.S. military invasions and occupations of Afghanistan and Iraq. During this time, a new generation within Iran contributed to the country's

comprehensive development and internal transformation, leading to its entry into a phase of national prosperity.

Accordingly, “with the changes in the regional geopolitical center of gravity, Iran is now located at the core of this shift. The geopolitical center of gravity has gradually moved from the Western Middle East toward the East, such that Iran is now considered the new center of this geopolitical axis” (Saqaqi Amiri, 2008). During President Ahmadinejad’s administration, foreign policy continued the path of de-escalation and was framed as constructive engagement. “The most important paradigm of the Ninth Administration’s foreign policy was the interaction with Eastern countries, termed the ‘Look to the East’ policy” (ibid.).

This Eastern orientation is based, on the one hand, on the complementarity between Iran’s economy and the economies of major Eastern and Asian powers, and on the other hand, on the fact that these powers do not condition their bilateral and multilateral cooperation on political restrictions. This approach addresses Iran’s needs in economic development, technology transfer, and foreign investment. Moreover, this cooperation contributes to regional and international security.

“In general, Iran’s foreign policy strategy must be defined and formulated based on the country’s most powerful advantages and strategic factors. Iran enjoys two significant geo-strategic advantages stemming from its unique geopolitical location and its rich natural resources:

(a) Geographically, Iran occupies a privileged geopolitical position, acting as a connector between major regions along the North–South and East–West axes. Its transit routes and commercial exchanges are among its core advantages. In this context, the North–South Corridor project holds special importance.

(b) Iran possesses unique global reserves of natural resources, particularly energy. It can meet growing global and regional demands by developing its oil and gas resources. In Asia, Iran must focus on the two rapidly growing energy markets of India and China and construct oil and gas pipelines to these countries. These lines have both economic advantages and political and geopolitical dimensions. The development of energy resources, pipeline networks, and maritime transport fleets requires significant capital investment and access to advanced technologies for exploration, extraction,

refinement, and transmission. Thus, attracting international participation and building trust, particularly through a form of energy security discourse, is deemed essential” (Saqaqi Amiri, 2008).

With the emergence of major Eastern powers—China, India, and Russia—and the establishment of a multipolar balance of power since the beginning of the 21st century, Iran’s Look to the East policy has been reinforced. This policy has deepened in response to escalating Western sanctions against Iran. Supporters of the Look to the East strategy believe that the West will eventually compromise on some of its demands, depending on the adeptness of Iran’s foreign diplomacy. Previously, Iran relied on industrial, technological, and investment needs being met by advanced Western economies, but now emerging Eastern powers—particularly China—can meet these needs.

Here, the capacities of Eastern powers—China, Russia, and India—as well as the Shanghai Cooperation Organization (SCO) and the BRICS group, in cooperating with Iran are outlined.

China is the most populous country in the world and follows an economically-oriented foreign policy. With a GDP of 18 trillion USD in 2023, China is the world’s second-largest economy after the United States. Its immense industrial output has led to its designation as “the world’s factory.” In its economic relations, China refrains from intervening in the internal affairs of other countries and avoids imposing political conditions. As the largest consumer of oil and gas due to its massive industrial production, China can be a reliable and stable customer for Iran’s energy exports. Additionally, it is technologically advanced and ranks among the top global powers, capable of providing Iran with much-needed investment for development. In light of Iran’s restricted access to international banking and foreign exchange due to sanctions, China is willing to engage in barter trade with Iran. The Iranian and Chinese economies are complementary: Iran possesses energy resources and transit advantages that benefit China, while China offers the advanced technology, industrial products, and investment capabilities that Iran needs. The 25-year strategic cooperation agreement between Iran and China was operationalized on January 14, 2022, during President Ebrahim Raisi’s administration (IRNA, January 16, 2022, citing *Iran* newspaper). China has advanced its international order-shaping strategy based

on its economic power. Iran can secure a meaningful role within China's Belt and Road Initiative.

Russia is the world's second military power, possessing advanced military and space technology. It can meet Iran's needs in areas such as bomber and fighter jets, helicopters, air defense systems, radar systems, space installations, and satellite launches. Russia is also a major exporter of wheat, oilseeds, and fertilizers, which are in demand in Iran. In return, Iran can export a range of industrial and agricultural products to the large Russian market. The two countries can also collaborate to form an energy club and jointly manage the global oil and gas market. Iran's greatest asset for Russia is its transit position and the North-South Corridor for transporting goods and energy from Russia to the south, especially to India, and vice versa. Russia has both the capacity and willingness to invest in Iran, especially in oil and gas infrastructure and in expanding transportation and communication routes. Accordingly, Iran and Russia's economies are also complementary. "After the Cold War, Iran could not confront the United States alone in the unipolar world order and thus adopted the conventional balancing strategy by cooperating with Russia to counter U.S. power. Iran's policy in Central Asia and the Caucasus has been pragmatic and followed a conservative approach" (Hadian, 2003; Saqafi Amiri, 2008). The 20-year strategic cooperation agreement between Iran and Russia was finalized in January 2022 during President Raisi's visit to Russia.

India is the world's largest democracy and one of the most populous countries. As the second-largest consumer of oil and gas, it is a key customer for Iran's energy exports. Iran's transit corridors, particularly the North-South Corridor, offer significant opportunities for transporting goods and energy between India, Russia, Eurasia, and Central Asia. Iran also imports rice and agricultural products from India. India is currently developing the Chabahar port project. The two countries have complementary economies. "India maintains strategic relations with the West, especially the United States, based on expanding economic ties and a strategic alliance" (Saqafi Amiri, 2008). The India-U.S. nuclear agreement, signed on March 2, 2006, led to the lifting of U.S. sanctions against India that had been imposed after its nuclear tests (Saqafi Amiri, 2008).

Shanghai Cooperation Organization (SCO) – After the Soviet Union's collapse and the end of the Cold War,

China, Russia, Kazakhstan, Tajikistan, and Kyrgyzstan, all facing challenges related to separatism, extremism, and terrorism, formed the "Shanghai Five" in 1996 with a security-focused approach. The SCO is considered a form of soft balancing by China and Russia against U.S. unilateralism. In 2001, Uzbekistan joined and the group was officially renamed the Shanghai Cooperation Organization, expanding its focus to include economic cooperation. India and Pakistan became permanent members in 2017. On July 3, 2023, Iran was formally admitted as a permanent member of the SCO during President Raisi's tenure (Presidency website). "Iran's membership in the SCO as a key Asian organization offers a promising outlook for Iran's Look to the East policy". Iran's full membership, alongside emerging powers and Central Asian states and Pakistan, creates a favorable platform for expanding economic cooperation. The political value of Iran's full membership in the SCO is reinforced by the participation of China, Russia, and India—countries with significant global political clout and permanent seats on the UN Security Council. This lends Iran greater international legitimacy and may enhance its influence in global institutions. "One must be cautious in setting expectations from China and Russia, as they are both highly pragmatic actors whose decisions are based on cost-benefit calculations" (Motaghi, 2007). From a security perspective, the Islamic Republic of Iran faces threats from international actors such as the U.S., EU, and Israel, and also border-related threats. In case of military aggression by the West, no country would likely intervene to aid Iran; hence, self-empowerment, deterrence, and indigenous capacity-building remain the best strategies.

From a political and media standpoint, "Iran's accession to the SCO demonstrates that it is accepted in the international arena. This membership can elevate Iran's traditional bilateral relationships with member states to a multilateral level and foster political and security coordination with major global players. Joining the SCO facilitates Iran's integration with the East. Simply gaining membership sends a clear diplomatic message: Iran values international institutions and is no longer isolated" (Soltani, 2021).

Iran's Accession to BRICS – On January 1, 2024, Iran officially became a member of BRICS. Earlier, on August 24, 2023, the South African president formally announced BRICS leaders' agreement to admit Iran as a

full member (Fars News Agency, January 1, 2024). On September 17, 2023, President Raisi stated in an interview with NBC: “The U.S. and some European countries sought to isolate Iran, but they failed. The Shanghai Cooperation Organization and BRICS are emerging global powers. Iran’s membership benefits both these organizations and Iran itself” (Presidency website).

“One of the main causes of the current challenges around Iran is the effort to economically isolate the country. The North–South Corridor is one of the most critical routes that can help Iran escape economic and political sanctions and geopolitical bottlenecks. Iran’s crossroads location connects East and West, and North and South” (Raees Al-Sadat, 2021). The economies of Iran and major Eastern powers are complementary. Iran offers energy resources and transit corridors, while Eastern powers have industrial, technological, and financial capacities that meet Iran’s essential needs. BRICS’ development and reserve banks are seen as counterparts to the World Bank and the International Monetary Fund.

7. Empowerment of the Islamic Republic of Iran: Inward and Outward Balancing

“The Islamic Republic of Iran, like other states, seeks to increase its relative power to the maximum extent possible, as the greater a state’s power and capabilities relative to others, the higher its national security index becomes. Accordingly, Iran has developed strong incentives to pursue both ‘inward balancing’ and ‘outward balancing’ strategies” (Dehghani Firouzabadi, 2012).

In the outward balancing model, the Islamic Republic, within a multilateral framework, engages in alliance-building and coalition-formation to balance the international system. In the realm of foreign policy and international and regional relations, Iran has significantly endeavored to establish close political relations with neighboring countries, emerging Eastern powers, and selected states in Africa and Latin America. Iran has achieved remarkable progress in the fields of aerospace, nuclear, nanotechnology, stem cell, and military technologies. In 2010, it became the fourth country in the world, after the Soviet Union, the United States, and China, to send a living organism into space and successfully return it. Moreover, Iran is among the

few countries capable of launching its domestically-produced satellites using its indigenous carrier rockets. In the field of nuclear activities, Iran possesses the full cycle of nuclear capability, including exploration, extraction, processing, enrichment of nuclear materials, and construction of nuclear reactors. In the domain of military science, technology, and defense industries—particularly in ballistic missiles and drones—Iran ranks among the leading nations.

Iran is among the top 10 countries globally in the production of steel and cement and is advanced and self-sufficient in all metal and non-metal industries and mining. It is also a manufacturer and exporter of large industrial turbines. Iran has a highly skilled human workforce and is a major exporter of engineering services in fields such as road construction, dam building, power plant and cement factory construction. Iran’s educational, healthcare, and social security services are highly advanced and approved by reputable United Nations-affiliated international institutions. In terms of the United Nations Human Development Index (HDI), Iran holds a high rank and consistently achieves top positions in many Asian and global sports disciplines. Overall, through its industrial and technological empowerment across military and non-military domains, Iran has emerged as a regional power. Notably, in 2002, U.S. President George W. Bush included Iran in the “Axis of Evil” alongside Saddam Hussein and North Korea. Yet, two decades later, in the 2022 U.S. National Security Strategy under President Joe Biden, Iran was listed as a power alongside China and Russia—an acknowledgment of Iran’s significant rise in strength and capabilities.

8. Conclusion

This study reveals that Western sanctions against the Islamic Republic of Iran were driven, on the one hand, by Iran’s independence-seeking nature and non-aligned foreign policy orientation, and on the other hand, by the unilateralist strategy of the United States. Western antagonism toward Iran has utilized the mechanisms of smart power—a combination of hard power, soft power, diplomacy, media, and sanctions. The primary tool of Western pressure has been the imposition of harsh sanctions.

The general aim of these sanctions was to create severe economic and livelihood hardships for the Iranian people

in order to change state behavior and compel Iran to yield to Western demands. Under the Obama administration in 2010, the most severe U.S. sanctions up to that time were imposed. Post-JCPOA sanctions were reinstated under the Trump administration in 2018 after the U.S. withdrawal from the agreement. These sanctions encompassed economic and trade bans, restrictions on oil and gas exports, financial and banking limitations, disconnection from the global SWIFT messaging network, and obstacles to technology access and investment in Iran.

In the United States, two approaches toward Iran have consistently existed: “regime change” and “behavioral change.” The European Union has also aligned with U.S. anti-Iranian policies in both principles and objectives. Iran’s view of the West, particularly influenced by the unilateral conduct of the United States, is grounded in deep distrust. The Iranian government, acting as a rational and cohesive entity faced with sustained and severe sanctions, has developed profound distrust toward Western policies and objectives and has thus sought diversification.

As a result of systematic and intensifying Western sanctions, Iran has adopted, on the one hand, the “Look to the East” policy and external balancing through cooperation with emerging Eastern powers, and on the other hand, accelerated its inward empowerment. Politically, cooperation with emerging powers, long-term agreements with them, and membership in the Shanghai Cooperation Organization and BRICS indicate that Iran is no longer internationally isolated.

From a security perspective, Iran cannot expect Eastern partnerships to provide guarantees against strategic threats posed by the United States, Europe, and Israel. To enhance national security and ensure its survival, Iran must pursue self-empowerment to achieve complete deterrence.

However, in the economic sphere, a highly favorable platform exists for strategic cooperation with emerging Eastern powers. Given that Iran has no relations with the United States and maintains strained relations with the European Union, replacing these relationships with those of Eastern powers is a strategic necessity.

China is one of the world’s foremost industrial and economic powers, making it a valuable partner for Iran to attract technology and investment. On the one hand, Iran’s oil and gas resources can meet the growing energy

demands of China and India—two major consumers. Its East–West and North–South transit corridors can be utilized by China, Russia, and India. On the other hand, those countries can address Iran’s needs in industry, technology, and investment. Therefore, the economies of Iran and emerging major powers are complementary.

Cooperation with Eastern powers, combined with Iran’s membership in the Shanghai Cooperation Organization and BRICS, and the signing of long-term strategic bilateral agreements, provides a valuable opportunity to accelerate the country’s development trajectory.

Iran’s Look to the East policy, in parallel with the consolidation of a multipolar international order and Iran’s emergence as a regional power, represents a new turning point in the foreign policy of the Islamic Republic of Iran. The following recommendations are offered to Iran’s diplomatic apparatus:

- (a) Barter transactions, particularly exchanging Iranian oil and gas for Chinese infrastructure development and advanced technology, to bypass Western financial and currency restrictions.
- (b) Attract investment and advanced technology from China and Russia for Iranian development projects.
- (c) Revive and enhance Iran’s role in East–West transit corridors, especially the North–South Corridor, which provides not only economic advantages but also geopolitical leverage against Western security encirclement.
- (d) Use national currencies in bilateral trade and BRICS and SCO financial mechanisms.
- (e) Procure advanced military, aerospace, and satellite technologies and equipment from Russia.

Authors’ Contributions

Authors contributed equally to this article.

Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

Transparency Statement

Data are available for research purposes upon reasonable request to the corresponding author.

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Declaration of Interest

The authors report no conflict of interest.

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Ethical Considerations

In this research, ethical standards including obtaining informed consent, ensuring privacy and confidentiality were observed.

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