

RSIS Commentary is a platform to provide timely and, where appropriate, policy-relevant commentary and analysis of topical and contemporary issues. The authors' views are their own and do not represent the official position of the S. Rajaratnam School of International Studies (RSIS), NTU. These commentaries may be reproduced with prior permission from RSIS and due credit to the author(s) and RSIS. Please email to Editor RSIS Commentary at RSISPublications@ntu.edu.sg.

Iran's Geopolitical Gamble in Turning to BRICS

By Huzeir Ezekiel Dzulhisham

SYNOPSIS

Iran's pivot to BRICS is a high-stakes gamble that, in the best-case scenario, allows Tehran to survive economically and diplomatically without the West. Yet these payoffs remain hypothetical scenarios impeded by BRICS's institutional deficiencies. Worse still, closer Iranian relations with BRICS exacerbate Western suspicions of an anti-US alliance of authoritarian states, worsening Iran's future ties with the West and provoking more sanctions. This commentary discusses what is at stake for Iranian alignment with BRICS.

COMMENTARY

At the October BRICS Summit in Russia, Iran made overtures of cooperation with significant implications for its foreign policy. Iranian President Masoud Pezeshkian [attended](#) the summit and personally met Russian President Vladimir Putin and Chinese President Xi Jinping. This followed speculation that Iran and Russia are finalising a new [Comprehensive Partnership Agreement](#), deepening strategic and economic ties. It also recalled a similar 25-year Iran-China Cooperation Agreement signed in 2021. Other preliminary meetings with BRICS stakeholders before the summit discussed an Iranian proposal for a BRICS [spatial data infrastructure](#) programme and greater [energy cooperation](#).

However, Iranian relations with BRICS countries, particularly China and Russia, exacerbate Western suspicions of a nascent anti-NATO alliance in the making or an international authoritarian axis intent on challenging the West. These suspicions potentially invite more economic sanctions that can cripple the Iranian economy and entrench Iran's diplomatic isolation. The question, therefore, arises: how will Iran benefit from closer BRICS ties, and can Iran afford to alienate the West further?

Arguably, Tehran's cooperation with BRICS allows access to greater economic opportunities and alliances that, in the long term, will enable Iran to circumvent Western-imposed sanctions and diplomatic isolation. However, this alignment is a gamble. Closer links with BRICS worsen long-term relations with the West. Even worse, BRICS's underdevelopment impedes the organisation's ability to solve Iran's economic problems.

Axis of the Aligned

Russia has used its [BRICS chair role](#) at this year's summit to reinforce Global South solidarity, reshaping BRICS as an alternative to Western-led institutions such as the World Bank. The summit's Kazan Declaration outlined proposals such as the [BRICS Cross-Border Payments Initiative \(BCBPI\)](#) and a [BRICS commodities exchange](#) which would allow trade and financial transactions in BRICS currencies, potentially circumventing Western sanctions and US-dollar-denominated trade.

Iran could restart international petroleum exports, confining them to BRICS member states if implemented. Russia and Iran have already announced the new [Shetab-Mir interbank system](#), allowing Iranians to withdraw Russian roubles from Russian ATMs.

In the spirit of "[southern multilateralism](#)", the BRICS-led New Development Bank is expected to play a more significant role in offering condition-free and low-interest-rate loans to developing states. This could assist Iran in obtaining critically needed investment. In September, Pezeshkian said that Iran requires at least US\$[100 billion](#) in foreign investment to reduce unemployment and [31.7 per cent](#) inflation rate, which was impossible given Western sanctions. This also explains Iranian interest in [joining](#) the New Development Bank.

BRICS also grants Iran the platform to lobby the Global South to end its diplomatic isolation. Aside from meetings with Russian and Chinese leaders at the summit, Pezeshkian also held [bilateral meetings](#) with Indian, Egyptian and South African leaders. Pezeshkian also met Indian Prime Minister Narendra Modi for the first time, [discussed](#) joint-trade corridors and the Chabahar port development, and even [proposed](#) an Iranian state visit to India.

Cost of Pragmatism

However, Iran's consolidation of ties with BRICS comes at the cost of worsening ties with the West. Close Iranian relations with BRICS states, particularly Russia and China, heighten Western suspicions of an [anti-liberal axis](#). Since Iran's permanent member status in BRICS was conferred in January 2024, Western observers have warned of possible [threats](#) to the liberal order and increased calls for America to "[compete vigorously](#)" against this alliance of revisionist powers. Such calls could invite more sanctions that could isolate Iran and further impoverish Iran's economy.

Yet, improved relations with the West will directly resolve Iran's economic problems. An end to economic sanctions would provide Iran with reliable investment flows and restore international confidence in Iran's economy, much better than BRICS-based solutions can do. After ratifying the 2015 Joint Comprehensive Plan of Action (JCPOA), which imposed restrictions on Iranian nuclear enrichment in return for

sanctions relief, the Iranian [economy grew](#) 12.5 per cent in 2016. The Iranian rial's value stabilised, reducing [double-digit](#) inflation to 8 per cent in 2016.

Is it Worth It?

Iranian assumptions that BRICS would be an economic lifeline ultimately remain a gamble. This is recognised by reformist Iranian factions that are [sceptical of BRICS](#). An [article published](#) in the Iranian reformist newspaper *Ham-Mihan* discussed how BRICS membership alleviates Iran's diplomatic isolation. Still, Iran cannot fully capitalise on BRICS-based economic opportunities without an end to Western sanctions.

Also, BRICS-based financial projects such as BRICS-pay and New Development Bank loans are proposals far from being implemented. Their implementation is hampered by BRICS's organisational challenges, consisting of [underdeveloped](#) institutional architecture and inequalities in economic development among BRICS members.

Even within BRICS, internal divisions and rivalries, particularly between China and India, handicap consensus-building and, thus, its ability to resolve these structural problems. China-India rivalry [has yet to abate](#) over territorial disputes and competition for influence. Also, given China's currently [weakened economic circumstances](#), which contribute the greatest outward foreign direct investment among BRICS members, the feasibility of fiscally demanding and high-risk BRICS projects such as condition-free development loans remains to be seen.

Pay-Off for Iran

Nevertheless, BRICS remains a valuable mechanism for Iran to consolidate closer ties with Russia and China. Therefore, while BRICS may not solve Iran's economic problems, it serves as a platform potentially offering economic and diplomatic opportunities for Iranian well-being despite Western pressures.

At the 2024 BRICS Summit in Russia, Iran [negotiated](#) a new comprehensive strategic partnership agreement with Russia, which codified enhanced defensive cooperation. Meanwhile, Chinese President Xi Jinping [declared his continuing](#) support for Iran and called for even more economic cooperation. Thus, while the West may not perceive BRICS as an immediate economic threat, the most pressing Western concern is BRICS's ability to strengthen alliances between anti-US states and thus build a "[useful counterweight against American hegemony](#)".

Also, the recent election of Donald Trump, who imposed [1,500](#) economic sanctions against Iran under the "maximum pressure campaign" in 2018 and ordered the 2020 assassination of Iranian Commander Qasem Soleimani, suggests that the likelihood of Iran improving relations with the West remains slim and indicates that closer ties with BRICS are a better prospect for Iran.

The Long View

Based on these developments, an Iranian pivot to BRICS is ultimately a gamble and

may fail to solve Iran's dire economic circumstances. Worse still, this strategy could derail future dialogue with the West by entrenching Western distrust and suspicions of an authoritarian alliance. Yet, BRICS grants Iran a valuable lifeline, bringing Tehran closer to potential allies who neither wish to interfere in Iranian domestic politics nor desire Iranian regime change.

Importantly, by aligning with BRICS, Iranian leaders may be calculating that BRICS is a good long-term bet, perceiving its institutional underdevelopment and consensus-building problems as teething issues that can be resolved. Indeed, Western concerns about BRICS are not unfounded. If successfully implemented, the proposals outlined at this year's BRICS summit could allow member states, including Iran, to thrive without the West.

Huzeir Ezekiel Dzulhisham is a Research Analyst in the Dean's Office at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University (NTU), Singapore.

S. Rajaratnam School of International Studies, NTU Singapore
Block S4, Level B3, 50 Nanyang Avenue, Singapore 639798