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A Political Economy Analysis of Changes and Continuities in Iran-Africa Trade Relations: A Case of South-South Dependency?¹

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Abstract

This paper provides a political economy analysis of the bilateral trade relations and patterns of exchange that existed between Iran and Sub-Saharan Africa (SSA) from 1962 to 2021. The paper contributes to the growing literature on Iran-Africa relations by empirically delineating not just the changes, but also the continuities between Iran and its African trading partners before and after the Iranian Revolution. It also adds nuance to the broader scholarship on South-South cooperation by showing the disparity between the rhetoric of South-South solidarity and reciprocity between Iran and SSA, on one side, and their low and fluctuating trade volumes, on the other. These volumes resulted from historical inertia or path dependency and structural factors, including trade complementarities and geopolitical conditions, more than demographic, cultural or religious realities. They were also shaped by the agency and decision-making of Iranian and African leaders and officials regarding the extent to which they economically engaged with each other.

Keywords: Iran, Prebisch-Singer Hypothesis, South-South Cooperation, Sub-Saharan Africa, Trade Patterns

Data availability and disclosure statements: The authors confirm that the data supporting the findings of this study are available within the article [and/or] its supplementary materials. There are no relevant financial or non-financial competing interests to report.

1. Introduction

This paper provides a political economy analysis of the bilateral trade relations and patterns of exchange that existed between Iran and Sub-Saharan Africa (SSA) from 1962 to 2021. It demonstrates that continuity rather than just change existed in the trade relations and patterns between Iran and SSA before and after the Iranian Revolution in two ways. First, during the Pahlavi monarchy and the Islamic Republic, Iran's major trading partners in SSA remained largely consistent. Second, from 1962 to 2021, both regimes mostly maintained a trade surplus or positive

¹ Acknowledgements: We thank Firat Demir, Omar Dahi, and the Security in Context multipolarity working group for organizing this special issue of *Review of Social Economy* and for inviting us to contribute to it. For financial support, we thank the Carnegie Corporation of New York Grant (G-20-57642). We thank the two anonymous referees for their valuable and constructive comments that helped significantly improve this paper. Previous versions of the paper were presented at the Autonomous University of Madrid Second International Congress "Dynamics of South-South Relations" in Madrid, Spain on February 22, 2022, the Security in Context Conference "Landscapes of Insecurity and Multipolarity" at the University of Oklahoma in Norman, Oklahoma on September 16, 2022, and the Tsinghua University Third Area Studies Forum "Developing Countries in the Age of Uncertainties" in Beijing, China on July 5, 2023. All remaining errors are ours.

balance with these partners. This outcome was due to the value of Iranian exports exceeding that of African imports because of trade compositions. More specifically, Iran primarily exported higher value products related to petroleum to SSA and imported lower value primary goods and foodstuffs from it.

On the surface, in terms of trade and within the so-called Global South, it seemed that a dependency dynamic and relational inequality existed and persisted between Iran and SSA – despite Iran’s own commodity dependency, with petroleum and related products comprising the bulk of its exports. However, the dependency and inequality between Iran and SSA were mitigated and offset by their low and fluctuating trade volumes. The latter complicated and challenged the narrative surrounding South-South solidarity and reciprocity between Iran and SSA, as well as Iran’s expansionist and hegemonic ambitions and activities on the continent. Despite the rhetoric of South-South solidarity and reciprocity between Iran and SSA, their low and volatile trade volumes were the result of historical inertia or path dependency and structural factors, including trade complementarities and geopolitical conditions, more than demographic, cultural or religious realities. They were also the byproduct of the agency and decision-making of different Iranian and African leaders and officials regarding the extent to which they economically engaged with each other.

This paper contributes to the growing literature on Iran-Africa relations. As is the case with the literature on Iranian history and politics more generally, the scholarship on Iran-Africa relations tends to conceptualize and frame the Iranian Revolution as a complete rupture from the monarchical past. It does not consider the historical, sociopolitical or economic continuities that existed between the Pahlavi monarchy and the Islamic Republic. Similarly, the scholarship on Iran-Africa relations tends to examine them exclusively during the period of the Islamic Republic.² This paper adds to this scholarship by empirically delineating not just the changes, but also the continuities that existed between Iran and its trading partners in SSA before and after the revolution.³

In addition to the literature on Iran-Africa relations, this paper also contributes to the broader scholarship on South-South cooperation. Scholars of dependency and world systems theory partially attribute underdevelopment to unequal terms of trade between the exporters of agricultural and mineral raw materials in the poorer, underdeveloped, and dependent countries of the (semi-) peripheral Global South, on one side, and the exporters of manufactured goods in the wealthier, developed, and dominant countries of the central or core Global North, on the other side.⁴ This paper adds nuance to this scholarship by analyzing South-South trade relations and patterns between Iran and SSA states.

² Two exceptions are Chehabi (2016) and Lefebvre (2019) who respectively examine Iran’s relations with South Africa and the wider continent before and after the Iranian Revolution. Houchang Chehabi, “South Africa and Iran in the Apartheid Era,” *Journal of Southern African Studies* 42.4 (2016): 687-709; Jeffrey Lefebvre, “Iran’s Scramble for Sub-Saharan Africa,” *Insight Turkey* 21.1 (2019): 133-50.

³ From a geopolitical perspective, Chimarizeni (2017) acknowledges the continuity between pre- and post-revolutionary Iran and its bilateral ties with Africa. Fatima Chimarizeni, “Iran-Africa Relations: Opportunities and Prospects for Iran,” *Brazilian Journal of African Studies* 2.3 (2017): 36-49: 40.

⁴ The literature on dependency theory is vast and was pioneered by Latin American scholars like Sergio Bagu, Fernando Henrique Cardoso, Theotonio dos Santos, Ruy Mauro Marini, and Osvaldo Sunkel during the 1960s and 1970s.

According to the Prebisch-Singer hypothesis, the terms of trade for developing countries gradually deteriorate, as they import high-value finished or manufactured goods from developed countries and export low-value raw materials and cash crops.⁵ This paper complicates this hypothesis by showing that the deterioration in the terms of trade of developing countries can also result from their import of higher value primary commodities from other developing countries and their export of lower value commodities to these countries. Iran's trade surplus or positive balance with most of its trading partners in SSA resulted from most of its exports being higher-value petroleum and petroleum-related products (e.g., rubber, plastics, and chemicals) compared to its imports of lower-value raw materials from these countries – which tended to coincide with international oil prices and boom and bust cycles.⁶

The scholarship on South-South cooperation has disproportionately focused on so-called great powers or core states of the international system, especially China and its engagement with Africa and elsewhere in the Global South. This focus is logical considering China has comprised Africa's largest trading partner since 2009, one of its largest bilateral creditors or lenders, and a prominent investor or financier of its critical and digital infrastructure and development projects, with a model that has ostensibly transitioned more from aid to debt in the twenty-first century.⁷ It has also sparked a debate about the degree to which Chinese engagement with Africa has been exploitative and neocolonial versus benign and beneficial, with the truth seeming to be more nuanced and laying somewhere in between.⁸ This paper fills a lacuna in this scholarship by incorporating so-called middle powers or peripheral states into the analysis. To this end, it examines the trade relations and patterns that have existed between Africa and Iran and, to a lesser extent, other states of the Persian Gulf and Middle East. This paper also contributes to this scholarship by showing that trade imbalances or asymmetries have existed not just between Africa and larger players like China, but also smaller ones like Iran – despite the small share of the continent in Iranian trade flows and vice versa.

Beyond contributing to the scholarship on Iran-Africa relations and South-South cooperation, this paper is particularly relevant and significant after Iran was invited to join BRICS in August 2023, and Africa has moved toward implementing the African Continental Free Trade Area (AfCFTA) since its operational phase officially started in January 2021. Among other benefits, joining BRICS should further strengthen Iran's economic and political relations with South Africa, which has

⁵ On the Prebisch-Singer hypothesis, see Raul Prebisch, "The Economic Development of Latin America and Its Principal Problems," *Economic Bulletin for Latin America* 1 (1950): 1-12; and Hans Singer, "The Distribution of Gains between Investing and Borrowing Countries," *The American Economic Review* 40.2 (1950): 473-85.

⁶ See the Observatory of Economic Complexity (OEC), <https://oec.world/en/profile/country/irn>.

⁷ See Axel Dreher, *Banking on Beijing: The Aims and Impacts of China's Overseas Development Program* (Cambridge: Cambridge University Press, 2022).

⁸ See Rhys Jenkins, *How China is reshaping the global economy: Development impacts in Africa and Latin America* (Oxford: Oxford University Press, 2018); Kwaku Opoku Dankwah and Marko Valenta, "Chinese entrepreneurial migrants in Ghana: socioeconomic impacts and Ghanaian trader attitudes," *The Journal of Modern African Studies* 57.1 (2019): 1-29; Deborah Brautigam, "A critical look at Chinese 'debt-trap diplomacy': The rise of a meme," *Area Development and Policy* 5.1 (2020): 1-14; Daniel Large, *China and Africa: The New Era* (Cambridge: Polity Press, 2021); Rasmus Lema, Padmasai Lakshmi Bhamidipati, Cecilia Gregersen, Ulrich Elmer Hansen, and Julian Kirchherr, "China's investments in renewable energy in Africa: Creating co-benefits or just cashing-in?" *World Development* 141 (2021): 1-18; Dawn C. Murphy, *China's Rise in the Global South: The Middle East, Africa, and Beijing's Alternative World Order* (Stanford: Stanford University Press, 2022); and Lisa Rofel and Carlos Rojas, *New World Orderings: China and the Global South* (Durham, NC: Duke University Press, 2023).

been its largest trading partner in SSA by far. Moreover, Iran's membership to BRICS, alongside the Shanghai Cooperation Organization (SCO), presumably provides Tehran with greater geopolitical capital and diplomatic flexibility to increase and stabilize its low and fluctuating trade volumes with the continent and beyond. That said, Iran's regional rivals, Saudi Arabia and the UAE, were also invited to join BRICS and have emerged as the top trading partners of some African countries. For Africa, the AfCFTA comprises the largest free trade area in terms of geography and population in the world, as well as the second largest one in terms of member states behind the World Trade Organization (WTO).⁹ In addition to other optimal outcomes, it ostensibly offers the continent more leverage and coordination to reduce the trade deficits or negative balances with trading partners like Iran.

The rest of this paper is organized as follows. Section 2 describes the merits and shortcomings of the empirical methodology. Section 3 examines Iran-Africa trade relations and patterns from 1962 to 2021, their changes and continuities in terms of partners, balances, and compositions, as well as the temporal variation in the trade relations and patterns between Iran and select SSA states. The fourth and final section concludes.

2. Empirical Analysis

2.1 Data

As indicated above, this paper examines Iran-Africa trade relations from 1962 to 2021. As will be further described below, these relations were not limited to trade and encompassed other fields, including security, diplomacy, culture, investment, transportation, technology transfer, humanitarian aid, and development assistance.¹⁰ However, for the purposes of analyzing long-term trends and patterns, trade contained the most accessible and continuous, historical data. The possible data sources that could have been used to measure trade quantities and compositions between Iran and SSA included the International Monetary Fund (IMF) Direction of Trade Statistics (DOTS),¹¹ and the World Bank World Integrated Trade Solution (WITS)¹² database, which was based on UN COMTRADE. The IMF DOTS was useful for examining bilateral trade quantities but did not contain product compositions. By contrast, WITS and COMTRADE were better for analyzing bilateral trade quantities and compositions.

However, the trade flows data from Iran were not continuous and included many missing observations in the databases mentioned above. Therefore, to compensate for the patchy nature of Iran's trade data, mirrored partner-country data was used. In other words, rather than downloading Iran's reported exports to different African countries, their reported imports from Iran were downloaded instead to improve the coverage of this data. The trade databases of Harvard¹³ and MIT¹⁴ utilized this method based on algorithms to create streamlined data of bilateral trade quantities.

⁹ Justina Crabtree, "Africa leaders to form largest free trade area since the WTO," CNBC, March 20, 2018, <https://www.cnbc.com/2018/03/20/africa-leaders-to-form-largest-free-trade-area-since-the-wto.html>.

¹⁰ See, for example, Eric Lob, "The Islamic Republic of Iran's Foreign Policy and Construction Jihad's Developmental Activities in Sub-Saharan Africa," *International Journal of Middle East Studies* 48.2: 313-38.

¹¹ Link: <https://data.imf.org/?sk=9d6028d4-f14a-464c-a2f2-59b2cd424b85>.

¹² Link: <https://wits.worldbank.org/CountryProfile/en/IRN>.

¹³ Link: <https://atlas.cid.harvard.edu/data-downloads>.

¹⁴ Link: <https://legacy.oec.world/en/resources/data/>.

The timeframe of the Harvard and MIT datasets was 1962 to 2021. These dates were significant because they coincided with Iran's oil boom of the early 1960s and the US maximum pressure campaign against the Islamic Republic in 2018. They allowed for an analysis and comparison of whether trade quantities and compositions between Iran and SSA significantly changed after 1960 when the Organization of the Petroleum Exporting Countries (OPEC) was established and Iranian oil revenues substantially increased,¹⁵ as well as after 2018 when the United States withdrew from the Joint Comprehensive Plan of Action (JCPOA) or nuclear deal and reimposed and expanded economic sanctions against Iran.¹⁶ For the abovementioned reasons, the Harvard and MIT datasets were best suited to examine historical, bilateral trade flows between Iran and SSA. Since the MIT dataset contained a massive file for Iran that required extensive cleaning, this paper instead relied on the Harvard dataset to analyze these trade flows.

For this study, the International Trade Data (SITC, Rev 2) from the Harvard Dataverse was used.¹⁷ The Standard International Trade Classification (SITC) was chosen over the Harmonized System (HS) because the former offered a larger time series sample. The only drawback was that the SITC had less granular information regarding trade products (1-, 2- or 4-digit detail levels). The raw data was provided by the United States Statistical Division (COMTRADE) and then cleaned and processed by the Harvard Dataverse using the Bustos-Yildirim Method. This set was selected over the others because the preliminary cleaning already applied to the data and because the bulk download size of the file was manageable.¹⁸

3. Empirical Results

3.1. Iran-Africa Trade Relations and Patterns: Limited Dependency

From 1962 to 2021, the Pahlavi monarchy and the Islamic Republic mostly maintained a trade surplus or positive balance with their trading partners in SSA. This outcome was due to the value of Iranian exports exceeding that of African imports because of trade compositions. More specifically, Iran exported higher value products related to petroleum to SSA and imported lower value primary goods and foodstuffs from it. On the surface, in terms of trade and within the so-called Global South, a dependency dynamic and relational inequality seemed to exist and persist between Iran and SSA. This dependency and inequality counterintuitively existed and persisted during a period when SSA's total trade flows in nominal and current USD increased by approximately twenty times, while Iran's total trade expanded only eight-fold. They were mitigated and offset by the historically low and fluctuating trade flows between Iran and SSA,

¹⁵ See, for example, Kamiar Mohaddesa and M. Hashem Pesaran, "One hundred years of oil income and the Iranian economy: A curse or a blessing?" in *Iran and the Global Economy: Petro Populism, Islam and Economic Sanctions*, eds. Parvin Alizadeh and Hassan Hakimian (London: Routledge, 2014), 12-45.

¹⁶ On how US-led sanctions caused trade fluctuations between Iran and SSA during the presidencies of Mahmoud Ahmadinejad (2005-13) and Hassan Rouhani (2013-21), see Tiziana Corda, "Not All Plain Sailing: The Highs and Lows of Iran's Scramble for the Horn of Africa," in *The Geopolitics of Iran*, eds. Francisco José B. S. Leandro, Carlos Branco, and Flavius Caba-Maria (Singapore: Palgrave Macmillan, 2021), 485-529: 507-08.

¹⁷ The trade data were obtained in terms of US dollars and converted into real terms (represented by 2021 prices) by using the US consumer price index. In technical terms, this was achieved by dividing the trade data by the US consumer price index with the base year of 2021 (when the index was equal to 100). The same methodology was also used to convert nominal oil prices into real oil prices.

¹⁸ See <https://atlas.cid.harvard.edu/about-data>.

particularly after the Iranian Revolution. Especially in the case of the Islamic Republic and if South Africa were excluded from the analysis, SSA was seldomly, if ever, important for Iran in terms of trade, and, for most African countries, the same was true concerning Iran.

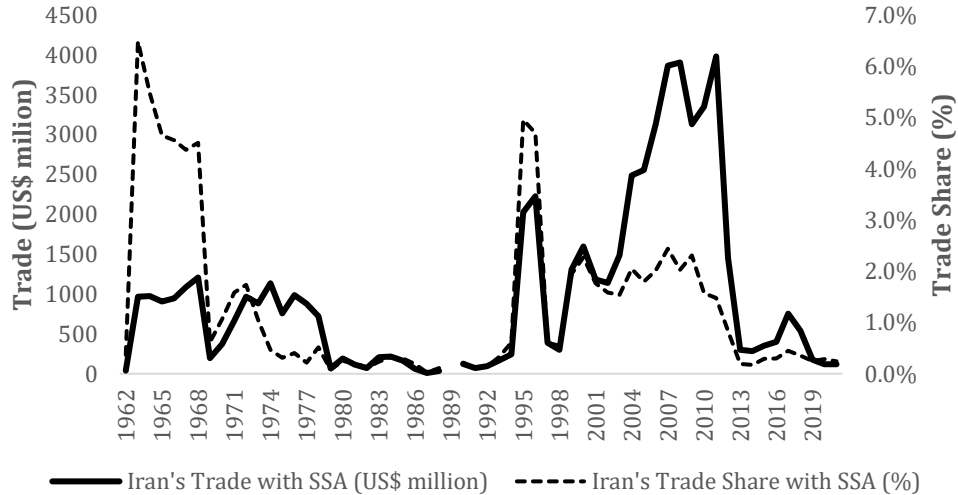
Between 1962 and 2021, and except for certain years, Iran's trade with SSA was not tremendously important. During this period, Iran's average annual trade with the continent was 1.37 percent of its total trade, with data missing for 1989. From 1962 to 1978, the Pahlavi monarchy's average annual trade with SSA was 2.26 percent of its total trade, ranging from a high of 6.49 percent in 1963 to a low of 0.21 percent in 1977. From 1979 to 2021, this figure for the Islamic Republic dropped to 1.21 percent, reaching a nadir of 0.02 percent in 1987 and a peak of 4.96 percent in 1995, with data missing for 1989 (see figure 3.1 below). That said, and beyond Iran's trade with SSA as a percentage of its total trade, the lower trade volumes with the continent of the Islamic Republic compared with the Pahlavi monarchy were not reflected in absolute terms. Adjusted for inflation, the total value of Iran's average annual trade with SSA was less during the Pahlavi monarchy (\$806 million) than during the Islamic Republic (\$1,159 million). During the Pahlavi monarchy, Iran's average annual trade balance was above one percent with 13 out of 35 (corresponding to 37 percent) of its trading partners in SSA. By contrast, during the Islamic Republic, Iran's average annual trade balance was above one percent with only 7 out of 35 (corresponding to 15 percent) of its trading partners in SSA.

On the flip side, SSA's trade with Iran was also not overwhelmingly significant. Between 1962 and 2021, its average annual trade with Iran was 0.33 percent of its total trade, with data missing for 1989. From 1962 to 1978, SSA's average annual trade with the Pahlavi monarchy was 0.56 percent of its total trade. From 1979 to 2021, this figure for the Islamic Republic dropped to 0.29 percent, with data missing for 1989 (see figure 3.3 below). That said, and beyond SSA's trade with Iran as a percentage of its total trade, its lower trade volumes with the Islamic Republic compared with the Pahlavi monarchy were not reflected in absolute terms. Adjusted for inflation, the total value of SSA's average annual trade was less during the Pahlavi monarchy than during the Islamic Republic, with the same values as Iran's average annual trade with SSA indicated above.

From 1962 to 2021, SSA's average annual trade with Iran as a percentage of its total trade was 0.33 percent (with data missing for 1989), while this figure with Saudi Arabia, Turkey, and the UAE was 0.80 percent, 0.38 percent, and 0.32 percent (with data missing for 1962-66, 1970-71, 1973, and 1976), respectively (see figure 3.4 below). The continent's historical average annual trade with Iran was higher than the UAE as a percentage of its total trade. However, between 2014 and 2021, the percentage of SSA's total trade with the UAE increased steadily and significantly, from 2.50 percent in 2014 to 6.37 percent in 2021 (see figure 3.4 below). As will be further described below, these figures were driven by the UAE's rising trade with SSA following its assertive diplomacy in the Horn of Africa (HOA) and elsewhere on the continent as a partner of the Saudi-led coalition during the Yemeni Civil War (2014-present). During this period, SSA's average annual trade average as a percentage its total trade with Iran (0.05 percent) was substantially lower than with Saudi Arabia (1.25 percent), Turkey (1.01 percent), and the UAE (4.33 percent). In addition to Saudi and Emirate assertiveness, SSA's low trade with Iran resulted

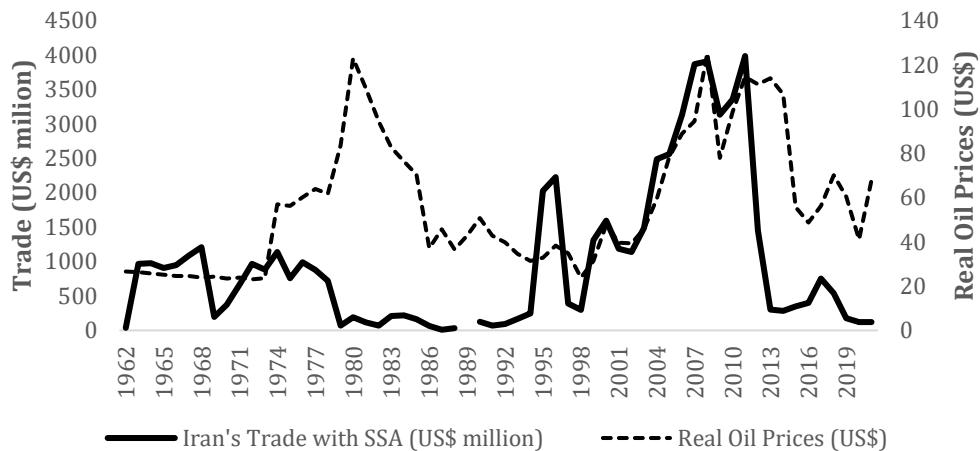
from it disengaging from the continent and being subjected to intensified US sanctions following six executive orders and one piece of legislation to that effect in 2012.¹⁹

Figure 3.1. Iran’s Trade and Trade Share with SSA



Notes: Iran’s trade values (defined as exports plus imports and represented by the left vertical axis) are in real terms as the US dollar-based measures were converted into 2021 prices by using the US consumer price index. Iran’s trade share with SSA (represented by the right vertical axis) was calculated as its trade with SSA (defined as exports plus imports) divided by its total trade (defined as exports plus imports) for each year.

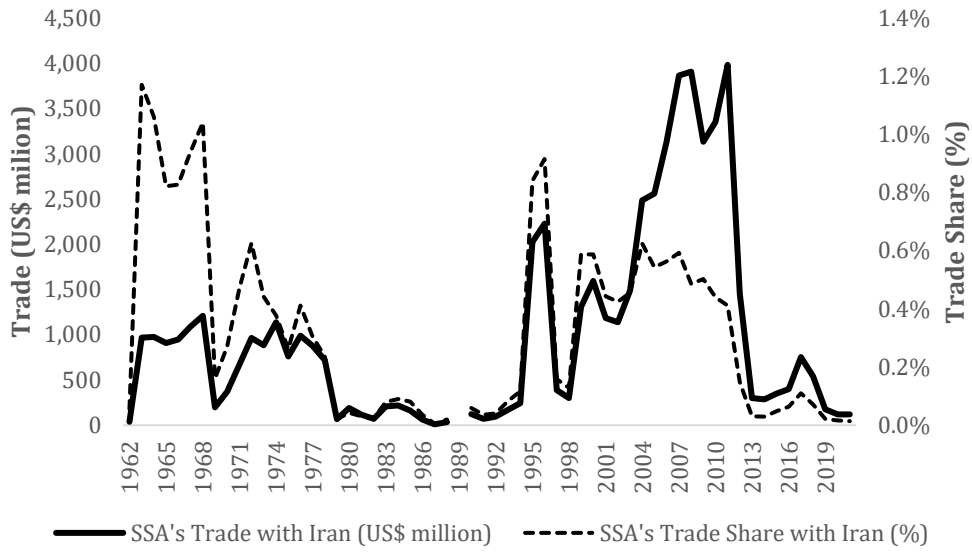
Figure 3.2. Iran’s Trade with SSA and Real Oil Prices



Notes: Iran’s trade values (defined as exports plus imports and represented by the left vertical axis) are in real terms as the US dollar-based measures were converted into 2021 prices by using the US consumer price index. Real oil prices were calculated as the West Texas Intermediate spot crude oil prices converted into 2021 prices by using the US consumer price index.

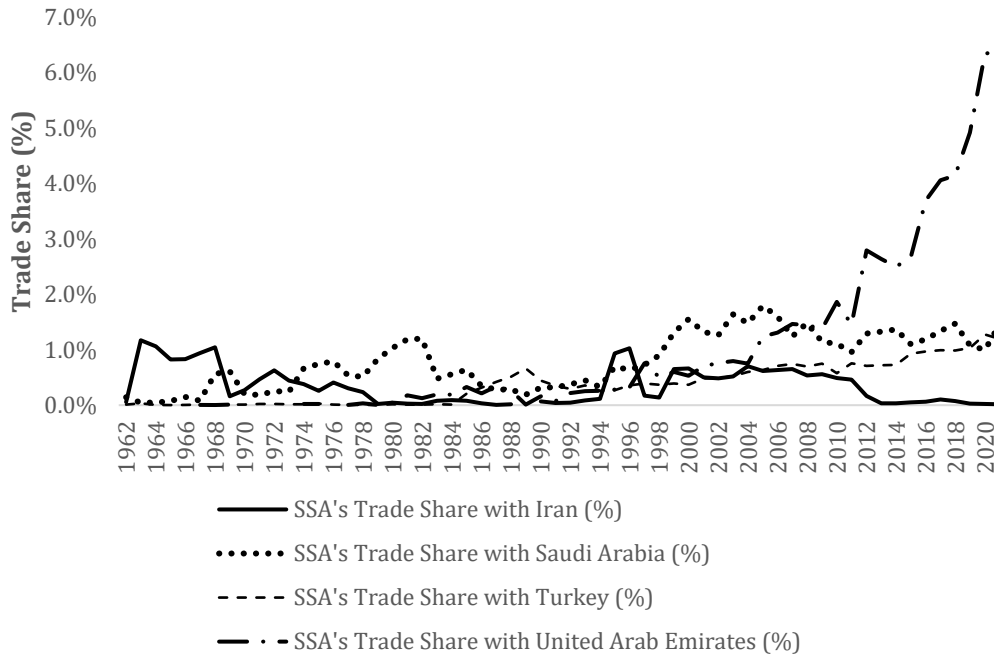
¹⁹ See United States Institute of Peace, “Timeline of U.S. Sanctions,” The Iran Primer, June 6, 2023, <https://iranprimer.usip.org/resource/timeline-us-sanctions>.

Figure 3.3. SSA's Trade and Trade Share with Iran



Notes: SSA's trade values (defined as exports plus imports and represented by the left vertical axis) are in real terms as the US dollar-based measures were converted into 2021 prices by using the US consumer price index. SSA's trade share with Iran (represented by the right vertical axis) was calculated as its trade with Iran (defined as exports plus imports) divided by its total trade (defined as exports plus imports) for each year.

Figure 3.4. SSA's Trade Share with Iran, Saudi Arabia, Turkey, and UAE



Notes: For each year, SSA's trade shares were calculated as its trade (defined as exports plus imports) with the corresponding countries divided by its total trade (defined as exports plus imports).

The historically low and fluctuating trade between Iran and SSA, coupled with the dependency and inequality embedded in it, demonstrated the disparity between the rhetoric and reality of South-South solidarity and reciprocity. These concepts were invoked by Iranian and African leaders and officials in their meetings and statements.²⁰ However, they were not borne out in practice between both sides, at least as it pertained to trade. Moreover, and as will be further discussed below, the political and economic relations between Iran and African countries oscillated over time due to their respective national interests and geostrategic calculations that superseded the lofty ideals and goals of solidarity and reciprocity. As an exception, and as will be further described below, a critical ideological factor that came into play was the Islamic Republic's anti-apartheid stance, which momentarily reduced its trade with South Africa and by extension SSA in its entirety. Moreover, the Islamic Republic's support of Muslim and Shia groups on a continent that is majority Christian and Sunni stymied trade and political and economic relations, more broadly.

The low and fluctuating trade volumes between Iran and SSA complicated and challenged the narrative surrounding not just South-South solidarity and reciprocity, but also the expansionist and hegemonic ambitions and activities of Iran and especially the Islamic Republic on the continent.²¹ Particularly in the case of the Islamic Republic and as will be further discussed below, the low and volatile trade volumes between Iran and SSA were not only the outcome of international isolation and economic sanctions, which were first imposed by the United States during the Iran hostage crisis in 1979. They were also the result of the decision-making of different Iranian presidents regarding the extent to engage with the continent and vice versa.

As shown in figure 3.1, during the Pahlavi monarchy from 1963 to 1968, Iran's trade volumes with SSA drastically increased. During this period, Iran's trade with the continent as a percentage of its total trade rose from 0.37 percent in 1962 to a historical high of 6.49 percent in 1963 and remained at between 4.37 and 5.48 percent until 1968. These trade volumes dropped to 0.61 percent in 1969 and subsequently rose to above one percent between 1970 and 1973. After the Arab oil embargo of 1973, they declined to 0.51 percent or below with some fluctuations from 1973 to 1978 until the Iranian Revolution. Interestingly, the Arab oil crisis – which caused a steady increase in international oil prices adjusted for inflation from \$16.39 per barrel in 1973 to \$24.08 per barrel in 1978 (see figure 3.2 below) – did not create a similar rise in Iran-Africa trade volumes during this period before the revolution.

Compared with the Islamic Republic, the Pahlavi monarchy's higher trade volumes with SSA as a percentage of its total trade resulted from its oil boom and rapid industrialization and modernization in the 1960s and 1970s. It also resulted from the Pahlavi monarchy's global status as a pro-systemic country that was an ally and partner of the United States and Israel, which also pursued an active foreign policy in Africa at that time. Furthermore, during both decades, 11 or 73 percent of the Pahlavi monarchy's top 15 trading partners on the continent achieved national

²⁰ See, for example, Reza Bagheri and Eric Lob, "Rouhani's Africa Policy: Disengagement, 2013–2021," *Middle East Policy* 29.1 (2022): 154-74: 155, 164; and Eric Lob, "Iran-Africa relations under Raisi: Salvaging ties with the continent," The Middle East Institute, April 11, 2022, <https://www.mei.edu/publications/iran-africa-relations-under-raisi-salvaging-ties-continent>.

²¹ See Lefebvre, "Iran's Scramble," 147; Soli Shahvar, "Iran's Global Reach: The Islamic Republic of Iran's Policy, Involvement, and Activity in Africa," *Digest of Middle East Studies* 29 (2020): 53-75: 54-55, 68; Bagheri and Lob, "Rouhani's Africa Policy," 157-58.

independence, underwent decolonization, and consequently established and expanded their own bilateral, diplomatic and commercial relations with Iran and other countries.²² Finally, during the 1960s and 1970s, the Shah assertively forged and strengthened political and economic relations with SSA for the following geostrategic reasons: to contain the spread of radical republicanism and communism at the height of Nasserism and the Cold War, to increase Iran's international influence, military presence, and commercial expansion as a rising power in the Indian Ocean and the Global South, to gain support in the United Nations (UN) and other international institutions in favor of Iran's territorial disputes with Arab states in the Persian Gulf, and to access uranium for its fledgling, civilian nuclear program as an alternative energy source to its finite oil reserves.²³

After the fall of the Pahlavi monarchy and the rise of the Islamic Republic, and as demonstrated in figure 3.1, Iran's trade volumes with SSA as a percentage of its total trade further declined due to its status as an anti-systemic state and adversary of the United States, and the latter's imposition of sanctions between 1979 and 2021. During this period, the Islamic Republic's trade relations with SSA fluctuated due not only to the intermittent intensification and relaxation of US-Iran tensions and US sanctions, but also the decision-making of different Iranian presidents regarding the extent to engage with the continent and vice versa. From 1979 to 1994, the Islamic Republic's trade with SSA as a percentage of its total trade remained well below one percent. In January 1986, its conservative third president and future supreme leader, Ali Khamenei (1981-89), toured four countries in East Africa (Tanzania, Mozambique, Angola, and Zimbabwe) to gain diplomatic support during the Iran-Iraq War (1980-88), offer development assistance through the Ministry of Construction Jihad, and market Iran's military hardware and other manufactured goods on the continent.²⁴

Despite the Islamic Republic's diplomatic and economic outreach to SSA under Khamenei, its trade volumes with the continent as a percentage of total trade fell from 0.19 percent in 1986 to their lowest level in history at 0.02 percent in 1987. This outcome was not only the result of the Islamic Republic's international isolation and economic sanctions during the revolution and war. It was also the byproduct of its decision in 1979 to officially sever ties with the apartheid state of South Africa, which was Iran's largest trading partner on the continent before the revolution and

²² The Pahlavi monarchy's top trading partners in SSA achieved independence in the following years: Ivory Coast (sixth), Democratic Republic of Congo (DRC) (ninth), and Madagascar (twelfth) in 1960, Tanzania (thirteenth) in 1961, Kenya (second) in 1963, Zambia (third) and Malawi (eleventh) in 1964, Mauritius (seventh) in 1968, Angola (tenth) and Mozambique (fifth) in 1975, and Djibouti (eighth) in 1977. Among the Pahlavi monarchy's top trading partners on the continent, those that achieved independence before the 1960s and 1970s were South Africa (first) in 1910 and Ethiopia (fourth) in 1941. Alistair Boddy-Evans, "Chronological List of African Independence," ThoughtCo., updated January 25, 2020, <https://www.thoughtco.com/chronological-list-of-african-independence-4070467>.

²³ At least six or 40 percent of the Pahlavi monarchy's top 15 trading partners in SSA contained uranium deposits including South Africa (first), Zambia (third), DRC (ninth), Angola (tenth), Malawi (eleventh), and Tanzania (thirteenth), though it was in an exploratory phase as of August 2021. "Uranium in Africa," World Nuclear Association, updated August 2021, <https://world-nuclear.org/information-library/country-profiles/others/uranium-in-africa.aspx>. For more on Iran-Africa relations during the Pahlavi monarchy, see Chehabi, "South Africa," 687-703; Lefebvre, "Iran's Scramble," 134-38; Corda, "Not All Plain Sailing," 494-95; and Robert Steele, "Two Kings of Kings: Iran-Ethiopia Relations Under Mohammad Reza Pahlavi and Haile Selassie," *The International History Review* 43.6 (2021): 1375-92.

²⁴ Shireen Hunter, *Iran's Foreign Policy in the Post-Soviet Era: Resisting the New International Order* (Santa Barbara, CA: Praeger), 227; Lob, "Islamic Republic," 321, 335FN29; Bagheri and Lob, "Rouhani's Africa Policy," 170FN80.

even more so after it.²⁵ This nadir in Iran-Africa trade coincided with a sharp drop in international oil prices in nominal terms – which had been steadily declining since 1980 – from \$27.97 per barrel in 1985 to \$15.04 per barrel in 1986. This drop, compounded by high military expenditures during the war, put pressure on the Islamic Republic’s state budgets, including those of its agencies and organizations that engaged with SSA.

In 1994 and 1995, the Islamic Republic’s trade with SSA exceeded one percent for the first time to 4.96 percent and 4.70 percent, respectively – by far the highest percentage in its history to date and comparable to the levels of 1963-68 under the Pahlavi monarchy. This dramatic increase resulted from the decision of the Islamic Republic’s pragmatic fourth president, Akbar Hashemi Rafsanjani (1989-97), to officially resume relations with South Africa after apartheid ended in 1994, with an initial and almost exclusive focus on bilateral trade in 1995.²⁶ This decision boosted the Islamic Republic’s trade with the continent, with South Africa accounting for 80 percent of this trade between 1979 and 2021 (see table 1). The mid-1990s also coincided with Rafsanjani’s failed attempt to improve relations with the United States. This failure culminated in the Clinton administration’s dual containment policy, which banned trade with Iran’s oil industry and later all trade with Iran in 1995.²⁷ In response, Rafsanjani visited six African countries in September 1996 to develop economic and trade relations with them. To this end, Rafsanjani was accompanied by a delegation of three hundred Iranian businesspeople, and four of the six countries he visited comprised the Islamic Republic’s top trading partners in SSA, including Kenya (second), Sudan (third), Tanzania (fifth), and South Africa (first) (see table 1).²⁸ Due to Clinton’s policy and despite Rafsanjani’s visit, Iran’s trade with SSA drastically declined to 0.61 percent in 1997 and 0.55 percent in 1998.

Between 1999 and 2011, the Islamic Republic’s trade volumes with SSA as a percentage of its total trade remained at modest and consistent levels, despite some fluctuations, at between 1.48 percent and 2.44 percent. As in previous decades, this outcome resulted from the combination of structural factors, such as American or Western pressure and sanctions, as well as agency-related factors, namely presidential decision-making. During the governments of the Islamic Republic’s reformist fifth president, Mohammad Khatami (1997-2005), its trade volumes with SSA as a percentage of total trade increased from below one percent in 1997 and 1998 to between 1.54 percent and 2.27 percent during his remaining years in office. Khatami’s conciliatory foreign policy and aspirational détente with the United States through the concept of “dialogue of civilizations” provided the continent with the geopolitical capital and diplomatic latitude to pursue closer relations with Iran.²⁹ In the process, the Islamic Republic and SSA increased their

²⁵ Michal Onderco, “South Africa’s Iran Policy: ‘Poster Child’ Meets Renegade,” *South African Journal of International Affairs* 19.3 (2012): 299-318: 301-03; Chehabi, “South Africa,” 703-08; Michal Onderco, “A Battle of Principles: South Africa’s Relations with Iran,” *Commonwealth and Comparative Politics* 54.2 (2016): 252-67: 256-57.

²⁶ Onderco, “South Africa’s Iran Policy,” 301-03; Chehabi, “South Africa,” 703-08; Onderco, “Battle of Principles,” 256-57. The Islamic Republic’s resumption of formal relations with South Africa in 1994 was preceded by a visit to Tehran in 1992 by Nelson Mandela, who became the first foreigner to receive an honorary degree from the University of Tehran since 1979. Chehabi, “South Africa,” 708.

²⁷ Lefebvre, “Iran’s Scramble,” 142; Bagheri and Lob, “Rouhani’s Africa Policy,” 169.

²⁸ Hunter, *Iran’s Foreign Policy*, 228; Bagheri and Lob, “Rouhani’s Africa Policy,” 169-170. The other two countries were Uganda and Zimbabwe.

²⁹ Hunter, *Iran’s Foreign Policy*, 77; Lob, “Islamic Republic,” 321; Bagheri and Lob, “Rouhani’s Africa Policy,” 170.

diplomatic exchanges, including the Kenyan prime minister's visit to Iran in 1998, Khatami's visit to Sudan in 2004, and his landmark tour of seven African countries (Nigeria, Senegal, Mali, Benin, Sierra Leone, Zimbabwe, and Uganda) in 2005. These exchanges sought to strengthen Iran's economic and development cooperation and private-sector engagement with the continent.³⁰

During the administration of the Islamic Republic's hardline sixth president, Mahmoud Ahmadinejad (2005-13), its tensions with the United States and the international community increased, due to its resumption and expansion of nuclear activities. In 2005, the United States started designating and sanctioning Iranian individuals, companies, and organizations for their alleged involvement in nuclear proliferation, ballistic missile development, support for terrorist groups, and human rights abuses through executive orders and pieces of legislation.³¹ In 2006, the International Atomic Energy Agency referred the Islamic Republic's nuclear file to the UN Security Council, which passed six resolutions against Iran between 2006 and 2010.³² During this period, the Islamic Republic faced growing Western pressure and new sanctions against its nuclear program, culminating in the most stringent ones against its oil and banking sectors in 2012. Nonetheless, from 2005 to 2011, the Islamic Republic maintained modest and consistent trade volumes with SSA of between 1.48 percent and 2.44 percent of total trade. Afterward, these volumes significantly declined from 1.48 percent in 2011 to 0.84 percent in 2012. The initial resilience of these volumes in the face of mounting US pressure and sanctions resulted from Ahmadinejad's intensified rapprochement with African countries to mitigate the Islamic Republic's international isolation and economic adversity. While some of these countries were reluctant to engage with Iran under such tense geopolitical conditions, its rapprochement with the continent was facilitated by Ahmadinejad's Third Worldist policy and by rising international oil prices.³³

During the tenure of the Islamic Republic's centrist seventh president, Hassan Rouhani (2013-21), the US pressure and sanctions he inherited from his predecessor were partially responsible for the significant decline in Iran's trade volumes with SSA as a percentage of total trade of between 0.17 percent and 0.29 percent from 2013 to 2015. After the signing of the JCPOA and the partial sanctions relief that accompanied it, these volumes momentarily increased from 0.30 percent in 2016 to 0.45 percent of total trade between 2016 and 2017. They then decreased to between 0.24 percent and 0.35 percent of total trade from 2018 and 2021, when the United States withdrew from the JCPOA and reimposed and expanded sanctions against Iran. As in the past, the Islamic Republic's low and fluctuating trade volumes with the continent were not just the result of Western pressure and sanctions, but also its presidential decision-making and that of SSA states. During

³⁰ Hunter, *Iran's Foreign Policy*, 228-29; Mohammad Houshidasat, "Dialectics of Post-1979 Iranian Foreign Policy in West Asia," *International Studies* 55.4 (2018): 315-38: 324; Farhad Rezaei, *Iran's Foreign Policy after the Nuclear Agreement: Politics and Normalizers and Traditionalists* (Cham, Switzerland: Palgrave Macmillan, 2019), 8; Shahvar, "Iran's Global Reach," 61-64; Bagheri and Lob, "Rouhani's Africa Policy," 170.

³¹ United States Institute of Peace, "Timeline of U.S. Sanctions."

³² Amir Haji-Yousefi, "Political Culture and Iran's Foreign Policy: A Comparative Study of Iran's Foreign Policy during Ahmadinejad and Rouhani," *World Sociopolitical Studies* 2.2 (2018): 225-45: 234; Bagheri and Lob, "Rouhani's Africa Policy," 170.

³³ Chimarizeni, "Iran-Africa Relations," 43-44; Bagheri and Lob, "Rouhani's Africa Policy," 170-71. During Ahmadinejad's presidency, annual average domestic crude oil prices rose from \$56.47 nominal/\$72.06 inflation-adjusted (US CPI 2021 prices) per barrel in 2005 to \$97.94 nominal/\$85.97 inflation adjusted per barrel in 2013 – peaking at \$99.57 nominal/\$79.44 inflation-adjusted per barrel near the end of his first term in 2008.

Rouhani's presidency, trade volumes with the continent remained consistently low. The reason for this trend was that Rouhani initially and exclusively pursued rapprochement with the United States and the West over Africa and the Global South to differentiate himself from Ahmadinejad and to ease international pressure and economic sanctions against the Islamic Republic.³⁴ In all probability, this policy was partially motivated by the sharp drop in international oil prices during Rouhani's presidency.³⁵

Diplomatically, Rouhani's policy to disengage from Africa manifested itself in his lack of official visits there and his infrequent invitations to African presidents to visit Iran, even after the signing of the JCPOA and the partial sanctions relief that accompanied it.³⁶ Economically, this policy entailed deprioritizing the Iranian Ministry of Foreign Affairs' agency dedicated to promoting trade with Africa and dismissing its trade counselors from embassies around the continent.³⁷ In response to Iranian disengagement and Gulf Cooperation Council pressure and assistance during the Yemeni Civil War, Iran's longtime allies and top trading partners in the HOA including Djibouti, Sudan, and Somalia, alongside Eritrea, ended or downgraded their relations with the Islamic Republic in 2016.³⁸

3.2. Continuities and Changes in Iran-Africa Trade Relations and Patterns: Partners, Balances, and Compositions

3.2.1. Trade Partners

The previous section highlighted the changes in Iran-Africa trade relations and patterns before and after the Iranian Revolution and under different Iranian presidents during the Islamic Republic. At the same time, and despite some scholars conceptualizing the revolution as a complete rupture from the monarchical past, continuities existed between the Pahlavi monarchy and Islamic Republic in terms of their top trade partners in SSA from 1962 to 2021. Both of their top two trade partners in SSA were South Africa and Kenya. Moreover, except for Sudan and Senegal, all the Islamic Republic's top trade partners overlapped with those of the Pahlavi monarchy. This trend lends credence to the argument that the Islamic Republic's top trading partners were the byproduct of historical inertia or path dependency and structural factors like trade complementarities and geopolitical conditions more than demographic, cultural or religious realities – apart from the Muslim-majority countries of Sudan and Senegal. As will be further described below, the Islamic Republic proselytized Shia Islam and supported Muslim groups inside some of these countries, sometimes to the detriment of trade and other relations with them. However, it did not select these partners based on the size or share of their Muslim and Shia populations, even countries with substantial ones like Kenya and Tanzania, as evidenced by the overlapping trading partners and comparable or lower trade shares and absolute trade values with them compared with the more secular Pahlavi monarchy.

³⁴ Chimarizeni, "Iran-Africa Relations," 45; Aliou Manjang, "Beyond the Middle East: Saudi-Iranian Rivalry in the Horn of Africa," *International Relations and Diplomacy* 5.1 (2017): 46-60: 54; Bagheri and Lob, "Rouhani's Africa Policy," 154, 157, 161-62, 164, 168-69, 171.

³⁵ During Rouhani's presidency, annual average domestic crude oil prices decreased from \$97.94 nominal/\$85.97 inflation-adjusted (US CPI 2021 prices) per barrel in 2013 to \$39.23 nominal/\$95.53 inflation-adjusted per barrel in 2020, before increasing to \$67.99 nominal/\$100.00 inflation-adjusted during his last year in office in 2021.

³⁶ Bagheri and Lob, "Rouhani's Africa Policy," 156.

³⁷ Bagheri and Lob, "Rouhani's Africa Policy," 163.

³⁸ Shahvar, "Iran's Global Reach," 65; Bagheri and Lob, "Rouhani's Africa Policy," 172.

A point of continuity between the Pahlavi monarchy and the Islamic Republic was that the latter did not lose any of the former's 35 trade partners in SSA and added 11 more of them for a total of 46. That said, the Pahlavi monarchy had more diverse trading partners in SSA, with 13 or 37 percent of them having a trade share above one percent and with South Africa representing 39 percent of this share. By contrast, the Islamic Republic had only seven partners or 15 percent of them with a share above one percent and with South Africa commanding as much as 80 percent of this share (see table 1).

Table 1. Iran's top trading partners in SSA with more than a one percent share of its average annual trade with the continent (1962-2021), with real trade values in USD million – 2021 constant.

	1962-1978			1979-2021	
Countries	Trade	Trade Share	Countries	Trade	Trade Share
South Africa	5,355	39%	South Africa	35,656	80%
Kenya	1,862	14%	Kenya	2,346	5%
Zambia	1,250	9%	Sudan	1,281	3%
Ethiopia	770	6%	Madagascar	754	2%
Mozambique	612	4%	Tanzania	633	1%
Ivory Coast	608	4%	Ethiopia	484	1%
Mauritius	581	4%	Senegal	473	1%
Djibouti	505	4%	Total	41,628	94%
DRC	410	3%			
Angola	405	3%			
Malawi	246	2%			
Madagascar	225	2%			
Tanzania	167	1%			
Total	12,998	95%			

Notes: For each period, these values represent the accumulated real numbers over the corresponding years. Therefore, for example, for 1962-78, the real total trade (over the years of 1962-78) of Iran (defined as exports plus imports) with each country was calculated and then the share within Iran's real total trade with SSA countries was calculated.

An analysis of Iran's trade partners in SSA shed light on the comparative advantages and factor endowments that shaped trade complementarities and specialization patterns between both sides. Among the Pahlavi monarchy's 13 top trade partners in SSA with a trade share above one percent, seven or 54 percent of them were agriculture exporters (Kenya, Ethiopia, Ivory Coast, Mauritius, Malawi, Madagascar, and Tanzania), four or 31 percent were metal exporters (South Africa, Zambia, Mozambique, and Democratic Republic of Congo (DRC)), one or 8 percent was a petroleum exporter (Angola), and one or 8 percent was a diversified exporter (Djibouti). These figures were somewhat consistent with the Pahlavi monarchy's 35 total trade partners in SSA that

comprised 22 or 63 percent agriculture exporters, six or 17 percent metal exporters, four or 11 percent petroleum exporters, and three or 9 percent diversified exporters.

These figures were also somewhat comparable with those of the Islamic Republic. Out of the Islamic Republic's seven top trade partners in SSA with a trade share above one percent, five or 71 percent were agriculture exporters (Kenya, Madagascar, Tanzania, Ethiopia, and Senegal), one or 14 percent was a metal exporter (South Africa), and one or 14 percent was a diversified exporter (Sudan), with no petroleum exporters. Among the Islamic Republic's 46 total trade partners in SSA, thirty or 65 percent of them were agriculture exporters, seven or 15 percent were metal exporters, five or 11 percent were petroleum exporters, and four or 9 percent were diversified exporters. These figures demonstrated the dominance of agriculture in SSA exports and the low trade between Iran and fellow petroleum exporters compared with those of agriculture, metal, and diversified goods.

3.2.2. Trade Balances

Another point of continuity between the Pahlavi monarchy and the Islamic Republic is that both mostly maintained a trade surplus or positive balance with their trading partners in SSA. An analysis of average annual exports and imports adjusted for inflation clearly showed the trade imbalance that existed and persisted between Iran and its trading partners in SSA. Among the 46 countries on the continent that had trade relations with Iran, 41 or 89 percent had a negative average annual trade balance (see figure 1.1 in the appendix). The six outliers were Botswana (\$368,279), Cameroon (\$2,001,090), Zimbabwe (\$2,431,670), Ghana (\$3,662,944), Seychelles (\$5,151,832), and Eswatini (\$8,152,552) (see figure 1 in the appendix). During different periods from 1962 to 2021, these countries maintained a trade surplus with Iran by exporting various primary commodities and capital and manufactured goods, including vehicles, machinery and equipment, instruments and apparatuses, fertilizers and pharmaceuticals, furniture and appliances, fixtures and fittings, apparel and accessories, and glasses and electronics (cameras and watches).

Between 1962 and 2021, Iran had the highest positive average annual trade balance adjusted for inflation with the following ten countries in SSA: South Africa (\$801,980,864), Sudan (\$46,069,000), Kenya (\$42,733,136), Zambia (\$31,264,346), Tanzania (\$21,863,188), Ethiopia (\$20,331,464), Djibouti (\$20,325,052), Madagascar (\$19,406,400), DRC (\$15,515,952), and Somalia (\$10,268,558) (see figure 1.1 in the appendix). Except for Somalia, these countries comprised the Pahlavi monarchy's and/or the Islamic Republic's top trading partners on the continent. During the Pahlavi monarchy, 32 or 91 percent of its 35 trading partners in SSA possessed a negative average annual trade balance adjusted for inflation – except for Zimbabwe (\$871,039), Uganda (\$1,002,208), and Somalia (\$2,480,042) (see figure 1.2 in the appendix). During different periods in the 1960s and 1970s, Zimbabwe maintained a trade surplus with the Pahlavi monarchy by exporting various primary commodities and capital and manufactured goods (machinery, equipment, instruments, and vehicles), while Uganda and Somalia did so by exclusively exporting primary commodities (hides, skins, and furs).

During the Islamic Republic from 1979 to 2021, 39 or 85 percent of its 46 trading partners in SSA had a negative average annual trade balance adjusted for inflation. Only seven or 15 percent of the Islamic Republic's trading partners in SSA did not have a trade deficit including Botswana (\$368,279), Zambia (\$1,969,153), Cameroon (\$2,131,037), Zimbabwe (\$2,487,561), Ghana

(\$3,935,304), Seychelles (\$5,151,832), and Eswatini (\$8,152,552) (see figure 1.3 in the appendix). During different periods between the 1990s and 2010s, these countries maintained a trade surplus with the Islamic Republic by exporting various primary commodities and capital and manufactured goods, including chemicals, machinery and equipment, instruments and vehicles, fixtures and fittings, furniture and appliances, apparel and accessories, and glasses and electronics (cameras and watches). It should be noted that Botswana maintained a trade surplus with the Islamic Republic in the mid-to-late 2000s by exclusively exporting medicinal and pharmaceutical products and other manufactured goods. By contrast, Cameroon did so during the 2000s and 2010s by exporting petroleum and related products (rubber and plastics), along with cork and wood.

3.2.3. Trade Compositions

In terms of trade compositions and as another point of continuity between the Pahlavi monarchy and the Islamic Republic, their average annual exports to SSA adjusted for inflation were undiversified. During the Pahlavi monarchy between 1962 and 1978, 93.8 percent of Iran's average annual exports to the continent were petroleum and related products (see figure 2.1 in the appendix). Similarly, during the Islamic Republic from 1979 to 2021, 90 percent of Iran's average annual exports to SSA were petroleum and related products (see figure 2.2 in the appendix). Outside of petroleum and among nine non-petroleum categories, the only other export of the Pahlavi monarchy and the Islamic Republic to the continent above one percent was crude fertilizers and minerals, which totaled 1.1 percent and 1.6 percent, respectively.

Irrespective of the similarities between both regimes regarding export diversity, or lack thereof, the Islamic Republic had greater import diversity from SSA with imports above one percent of the total value numbering 22, compared with 14 during the Pahlavi monarchy. During the Pahlavi monarchy, 35.6 percent of Iran's average annual imports from the continent were iron and steel (see figure 2.3 in the appendix). During the Islamic Republic, 15.8 percent of Iran's average annual imports from SSA were iron and steel (see figure 2.4 in the appendix). Despite this difference, greater continuity existed between the Pahlavi monarchy and the Islamic Republic in terms of trade compositions. With respect to Iran's exports to SSA, petroleum and related products ranked first for the Pahlavi monarchy and the Islamic Republic, crude fertilizers and mineral ranked second, and cereals and cereal preparations ranked fifth and third, respectively. Significant overlap also existed in the top imports from the continent of both regimes.³⁹

Since the 1960s during the Pahlavi monarchy and the Islamic Republic and as previously mentioned, Iran's positive trade balance with most African countries resulted from the fact that most of its exports were higher-value petroleum and related products compared to its imports of

³⁹ These top imports included iron and steel (ranked first for both regimes), vegetables and fruit (ranked third and sixth for the Pahlavi monarchy and the Islamic Republic, respectively), sugars, sugar preparations and honey (ranked fourth for both regimes), cereals and cereal preparations (ranked sixth and second for the Pahlavi monarchy and the Islamic Republic, respectively), crude fertilizers and minerals (ranked seventh and fifth, respectively), non-ferrous metals (ranked tenth and seventh, respectively), machinery specialized (ranked thirteenth and twelfth, respectively), inorganic chemicals (ranked fifteenth and fourteenth, respectively), coffee, tea, cocoa, spices and manufactures thereof (ranked sixteenth and third, respectively), electric machinery (ranked nineteenth and fifteenth, respectively), textile yarn, fabric and made-up articles (ranked twentieth and twenty-fifth, respectively), oil seeds and oleaginous fruits (ranked twenty-second and nineteenth, respectively), general industrial machinery and equipment and machine parts (ranked twenty-third and eighteenth, respectively), and chemical materials and products (ranked twenty-fourth and twenty-first, respectively).

lower-value raw materials from these countries. As the data revealed, Iran's petroleum and related products factored significantly into its positive trade balances with SSA. When petroleum and related products were removed from the list of Iran's average annual exports and imports, the Pahlavi monarchy and the Islamic Republic had average annual trade deficits with the continent of -\$1,760,596,309 and -\$503,244,875, respectively. This trade pattern may not have come as a surprise to some scholars of the Prebisch-Singer hypothesis who did not observe a long-term decline in the relative price of oil unlike other commodities.⁴⁰ For this reason, these scholars treated the oil exporting countries as a special case following the rise of OPEC and the occurrence of the Arab oil embargo or crisis in the 1970s.⁴¹ At the same time, some of these scholars recognized that between the 1980s and 1995, OPEC lost its monopoly on petroleum, and the terms of trade for oil and other commodities in the Global South deteriorated.⁴²

Beyond excluding petroleum as an exception and further explaining the trade imbalance between Iran and SSA, scholars of the Prebisch-Singer hypothesis like Harvey et al. (2010) observed a long-term negative or zero trend versus an upward one in the prices of 24 primary commodities between the seventeenth and twenty-first centuries.⁴³ Among these commodities, the Pahlavi monarchy and/or the Islamic Republic imported 20 of them from the continent between 1962 and 2021.⁴⁴ Among the Pahlavi monarchy's 14 imports from SSA that comprised more than one percent of the total value, only one of them was a manufactured good (paper, paperboard, and articles at 2.2 percent) and one was a capital good (machinery specialized at 1.1 percent). Among the Islamic Republic's 22 imports from the continent that comprised more than one percent of the total value, only four of them were manufactured goods (organic chemicals (1.3 percent), inorganic chemicals (2 percent), road vehicles (1.8 percent), and paper, paperboard, and articles 1.5 percent), and four were capital goods (power-generating machinery and equipment (3.9 percent), machinery

⁴⁰ See, for example, David Harvey, Neil Kellard, Jakob Madsen, and Mark Wohar, "The Prebisch-Singer Hypothesis: Four Centuries of Evidence," *Review of Economics and Statistics* 92.2 (2010): 367-77: 372-76.

⁴¹ See, for example, Prabirjit Sarkar, "The Singer-Prebisch Hypothesis: A Statistical Evaluation," *Cambridge Journal of Economics* 10.4 (1986): 355-71: 365; John Cuddington, "Long-Run Trends in 26 Primary Commodity Prices: A Disaggregated Look at the Prebisch-Singer Hypothesis," *Journal of Development Economics* 39.2 (1992): 207-27: 217, 221; Alfred Maizels, Theodosios Palaskas, and Trevor Crowe, "The Prebisch-Singer Hypothesis Revisited," in *Development Economics and Policy*, eds. David Sapsford and John-Ren Chen (London: Palgrave Macmillan, 1998), 63-85; and Shouvik Chakraborty and Prabirjit Sarkar, "From the Classical to Empiricists: A Review of the Terms of Trade Controversy," University of Massachusetts Amherst Political Economy Research Institute Working Paper Series 482 (March 2019), 1-55: 29-30, 33, 39-40, 44FN2.

⁴² Chakraborty and Sarkar, "From the Classical," 29-30.

⁴³ Harvey et al., "Prebisch-Singer Hypothesis," 372-76. When it came to oil, it should be noted that Harvey et al. observed a long-term zero trend rather than an upward one. Using a time series between 1900 and 1983, Cuddington observed a long-term negative trend for five primary commodities (hides, maize, palm oil, rice, and wheat), a positive one for five commodities (coal, lamb, timber, tin, and tobacco), and a zero trend for the 16 remaining commodities in the dataset. Cuddington, "Long-Run Trends," 214-17. Using a time series between 1900 and 2010, Yamada and Yoon observed fluctuation versus linearity in commodity prices and a positive trend in some after 2000 due to the increased demand for raw materials from Chinese manufacturing and other developments. Hiroshi Yamada and Gawon Yoon, "When Grilli and Yang meet Prebisch and Singer: Piecewise Linear Trends in Primary Commodity Prices," *Journal of International Money and Finance* 42 (2014): 193-207.

⁴⁴ These commodities included the following: aluminum/non-ferrous metals (negative), banana/fruit (zero), coal (zero), cocoa (zero), coffee (negative), copper/non-ferrous metals (zero), cotton (zero), gold/metalliferous ores and metal scrap (zero), hide (negative), jute/textile fibers (negative), lead/non-ferrous metals (zero), nickel/non-ferrous metals (zero), pig iron/iron and steel (zero), rice/cereals and cereal preparations (zero), silver/non-ferrous metals (negative), sugar (negative), tea (negative), tin/non-ferrous metals (zero), tobacco (negative), wheat/cereals and cereal preparations (negative), wool/textile fibers (negative), and zinc/non-ferrous metals (negative).

specialized (2.2 percent), electric machinery (1.8 percent), and general industrial machinery and equipment (1.4 percent).

3.3. Bilateral Trade Relations between Iran and Select SSA States: Temporal Variation

Based on an analysis of trade partners, balances, and compositions, the previous section revealed the trade imbalances and the small and fluctuating volumes that existed and persisted between Iran and SSA from 1962 to 2021, as a point of continuity between the Pahlavi monarchy and the Islamic Republic. During this period, the trade volatility and temporal variation that existed between Iran and SSA states were the consequence of structural and agency-related factors. This section examines the changes in trade volumes between Iran and some of its top trading partners in SSA through the cases studies of South Africa, Ethiopia, and Zambia. These countries were selected because they were important trading partners of Iran in SSA by occupying a central role in Iranian trade with the continent. Especially in the cases of Ethiopia and Zambia, their relative importance changed before and after the Iranian Revolution.

As noted above, South Africa was the top trading partner in SSA of both the Pahlavi monarchy and the Islamic Republic, yet more so for the latter than the former in terms of Iran's average annual trade balance with the continent (39.08 percent versus 80.26 percent). As such, and particularly in the case of the Islamic Republic, the history and evolution of Iran's political and economic relations with South Africa largely explained its changing trade volumes with SSA, more broadly. Ethiopia was also a top trading partner of the Pahlavi monarchy and the Islamic Republic, but more so for the former than the latter both in terms of rank (fourth versus sixth) and percentage (5.62 percent versus 1.09 percent), contrary to South Africa. Also, unlike South Africa, which was a metal exporter, Ethiopia was an agriculture exporter that also had trade complementarities with Iran.

This section also explores Iran's trade relations and patterns with Zambia. As a metal exporter like South Africa, Zambia possessed similar comparative advantages and factor endowments that shaped its trade complementarities and specialization patterns with Iran. However, unlike South Africa and like Ethiopia, but to a much more dramatic degree, Zambia experienced changes in its trade flows and balances with Iran by transitioning from a top trading partner in SSA of the Pahlavi monarchy to a low-ranking one of the Islamic Republic. Between the Pahlavi monarchy and the Islamic Republic, Zambia's rank drastically dropped from third to seventeenth with an average annual trade of 9.12 percent and 0.23 percent, respectively. This outcome showed that geopolitical conditions and elite agency superseded trade complementarities and specialization patterns since Zambia was a metal exporter like South Africa.

3.3.1. South Africa

From 1962 to 2021, South Africa consistently remained Iran's largest trading partner in SSA, even more so during the Islamic Republic when accounting for 80.26 percent of its annual average trade with the continent. During the Pahlavi monarchy between the 1960s and 1970s, Iran established and maintained close yet cautious political and economic relations with apartheid South Africa, where the Shah's father had lived in exile after abdicating the throne until his death in the 1940s. Politically and militarily, these relations were based on a shared concern for Soviet or communist influence in the Indian Ocean. Economically, they were predicated on comparative advantages, factor endowments, trade complementarities, and specialization patterns, specifically Iranian

petroleum in exchange for South African metals and minerals, including cement, steel, iron, gold, uranium, platinum, diamonds, and coal. These relations culminated with an agreement between both countries and France in 1969 to construct a South African refinery and supply it with Iranian oil for twenty years once operational two years later. Between 1975 and 1976, the three countries signed agreements in which Iran exported oil to South Africa and purchased uranium from it to be enriched in France and used for nuclear energy.⁴⁵

The importance of comparative advantages, factor endowments, trade complementarities, and specialization patterns was highlighted in the contrast between the status of South Africa and Nigeria as Iran's trading partners in SSA. Despite being the largest African economy ahead of South Africa in terms of GDP in 2021,⁴⁶ Nigeria was the Pahlavi monarchy's sixteenth largest trading partner and the Islamic Republic's thirteenth in SSA. This outcome was partly, if not largely, the result of Nigeria having low trade complementarities and specialization patterns with Iran, with a substantial percentage of both countries' exports being petroleum and related products.⁴⁷ During the Islamic Republic, these low trade complementarities and specialization patterns may have been structurally and demographically mitigated by Nigeria's sizeable and growing Shia population in Africa's most populous country, among other factors.⁴⁸

During the 1960s and 1970s, the trade flows between Iran and South Africa increased, with Iran having a trade surplus with South Africa from 1963 to 1968, and then a trade deficit with it between 1969 and 1977, with data missing for 1978-1991 (see figure 3.5). On the surface, this trend was counterintuitive because the deficit followed the signing of the refinery and uranium agreements, as well as rising petroleum prices after the Arab oil embargo of 1973-74. However, it likely resulted from the fact that Iran did not export most of its oil directly to South Africa, but rather through an international consortium of companies. Moreover, during the 1970s, Iran imported from South Africa a substantial amount of cement and steel, among other products.⁴⁹

By 1979, and due to the Arab producers and then all of OPEC extending the oil embargo against South Africa, Iran directly and indirectly supplied it with over 90 percent of its petroleum – highlighting its resource dependency on Iran. Nevertheless, the Islamic Republic severed formal relations with South Africa and imposed a trade boycott against it to protest apartheid. Beyond ideology, the boycott may have been rationalized by the abovementioned trade deficits leading up to the revolution. Nonetheless, South Africa exported arms to the Islamic Republic during the Iran-Iraq War (1980-88), and Iranian oil continued to flow to South Africa through the spot market and various cargo, with Tehran still owning a share in Pretoria's refinery until 1989.⁵⁰ That said, from 1992 to 1993, overall trade volumes between Iran and South Africa remained low. During this period, Iran's imports from South Africa declined while its exports to it were low (see figure 3.5).

⁴⁵ Chehabi, "South Africa," 695-98.

⁴⁶ See <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=NG> and <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=ZA>.

⁴⁷ See <https://oec.world/en/profile/country/irn> and <https://oec.world/en/profile/country/nga>.

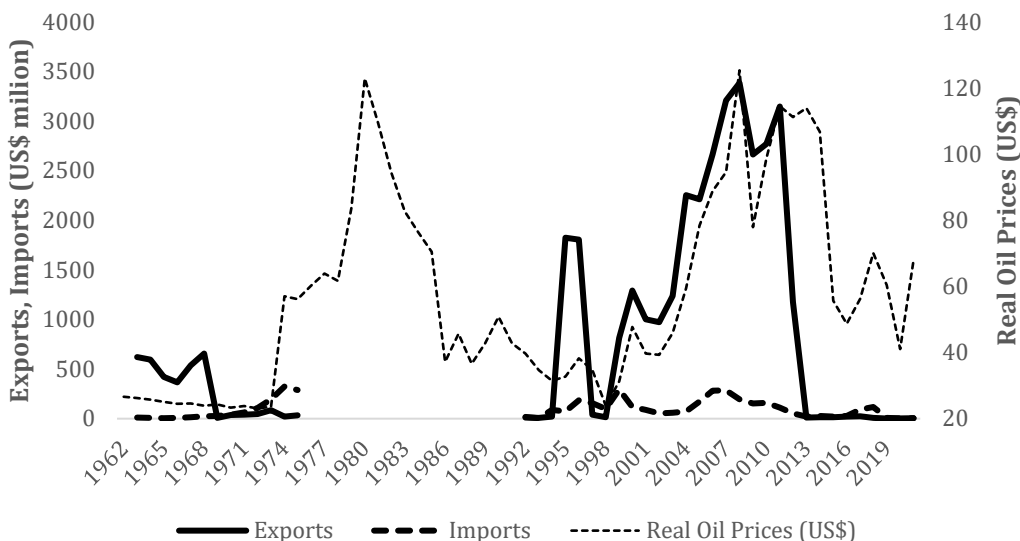
⁴⁸ As of 2010, Nigeria contained approximately 3.5 million Shia among a population of 161 million, whereas virtually none had existed before the 1980s. Hunter, *Iran's Foreign Policy*, 227.

⁴⁹ Chehabi, "South Africa," 698-99.

⁵⁰ Onderco, "South Africa's Iran Policy," 302; Chehabi, "South Africa," 705; Onderco, "Battle of Principles," 256.

When apartheid officially ended in 1994, and after financing the African National Congress (ANC), the Islamic Republic reestablished relations with South Africa and lifted the embargo against it, including all trade-related and economic sanctions. From 1995 to 2012, bilateral trade, particularly in the form of Iranian petroleum and related exports, which were presumably more direct, precipitously increased. This increase drastically boosted Iran’s trade volumes with SSA more broadly, as South Africa accounted for over 80 percent of them per year on average. During this period, a trade imbalance between Iran and South Africa existed, with Iran’s exports from South Africa exceeding its imports from it. Apart from 1996 when Iran’s exports to South Africa were slightly less than its imports from it, the lone exception was 1997-98 when the Clinton administration issued executive order 13059 that banned virtually all trade and investment activities with Iran.⁵¹ At the same time and outside of trade, South African companies invested in Iran’s petrochemicals and telecommunications sectors – creating difficulties for these companies due to international sanctions and Iranian interference.⁵²

Figure 3.5. Iran’s Exports to and Imports from South Africa versus Real Oil Prices (1963-2021), with Data Missing for 1978-91.



Notes: Iran’s exports and imports (represented by the left vertical axis) are in real terms as the US dollar-based measures were converted into 2021 prices by using the US consumer price index. Real oil prices were calculated as the West Texas Intermediate spot crude oil prices converted into 2021 prices by using the US consumer price index.

In 2012, and because of US pressure, threats, and sanctions, South Africa suspended oil imports from Iran and diversified them from Saudi Arabia and African countries.⁵³ Beginning in 2013, this policy led to low trade volumes between Iran and South Africa. Iran’s exports to South Africa were negligible and were exceeded by its imports from it between 2016 and 2020 (see figure 3.5) – despite Pretoria announcing it would import more oil from Tehran after the signing of the JCPOA in 2015. The policy, combined with Rouhani’s disengagement from SSA, also caused a drop in

⁵¹ Meghan L. O’Sullivan, *Shrewd Sanctions: Statecraft and State Sponsors of Terrorism* (Washington, DC: Brookings Institution Press, 2003), 50.

⁵² Onderco, “South Africa’s Iran Policy,” 302; Onderco, “Battle of Principles,” 261-62.

⁵³ Onderco, “South Africa’s Iran Policy,” 302; Onderco, “Battle of Principles,” 260-61.

Iran's trade volumes with the continent more generally. From a structural standpoint, it should be noted that after 2013, when oil prices dropped, Iran's trade surplus with South Africa virtually disappeared.⁵⁴ After the United States withdrew from the JCPOA between 2018 and 2020, the trade volumes between Iran and South Africa declined even further. In 2021, Iran's exports to South Africa slightly exceeded its imports from it, but trade volumes remained low overall (see figure 3.5). That year, Saudi Arabia ranked as South Africa's fifth import partner, with imports of refined and crude petroleum.⁵⁵

3.3.2. Ethiopia

Between 1962 and 2021, Ethiopia was a top trading partner in SSA of Iran. Unlike South Africa, it was a larger trading partner of the Pahlavi monarchy than the Islamic Republic both in rank and percentage. Concerning trade complementarities and balances, Ethiopia imported petroleum from Iran and exported primary commodities that were largely agricultural (coffee, gold, seeds, and vegetables) to it, causing Iran to maintain a trade surplus. Like South Africa, Ethiopia had a history of political and economic relations with the Pahlavi monarchy and the Islamic Republic. During the 1960s and 1970s, Ethiopia was the first country in SSA with which the Pahlavi monarchy established relations, before doing so with over thirty other countries on the continent. Strategically and ideologically, the Shah allied with his pro-Western, monarchical counterpart, Ethiopia's Emperor Haile Selassie (1930-74) against communism – his same motivation for subsequently forging relations with South Africa.⁵⁶ Beyond containing communism, Ethiopia served as the ideal gateway for the Pahlavi monarchy to the HOA and the rest of the continent due to the country's strategic location, its sizeable population as the second largest in Africa, and its status as a regional hegemon and diplomatic capital, with the headquarters of the Organization of African Unity (OAU) and later the African Union (AU).⁵⁷ From 1962 to 1974, bilateral trade flows, particularly in the form of Iranian oil exports, dramatically increased (see figure 3.6).

Between 1974 and 1977, these flows precipitously dropped to negligible and nonexistent levels (see figure 3.6). This drop resulted from Selassie being overthrown and replaced by a Soviet-backed, radical regime and military dictatorship during this period. Consequently, and alongside Saudi Arabia, Egypt, and Sudan, the Pahlavi monarchy provided military assistance and political support to Somalia against Ethiopia during the Ogaden War (1977-78). This policy failed to prevent a Somali withdrawal and tarnished Iran's reputation with the OAU for violating Ethiopian sovereignty.⁵⁸ Nevertheless, at the end of the war, Iran's exports to Ethiopia momentarily spiked in 1978 before returning to negligible-to-nonexistent levels during and after the Iranian Revolution throughout the 1980s and early 1990s, with data missing for 1980-81, 1983, 1988-89, and 1991-92 (see figure 3.6). This trend could be attributed to the Islamic Republic backing Eritrea during its war of independence against Ethiopia (1961-91), as well as focusing more on West Africa as a

⁵⁴ Between 2013 and 2021, annual average domestic crude oil prices declined from \$97.94 nominal/\$85.97 inflation-adjusted (US CPI 2021 prices) to lows of \$43.14 nominal/\$88.57 inflation-adjusted per barrel in 2016 and \$39.23 nominal/\$95.53 inflation-adjusted per barrel in 2020 due in part to the drop in global demand during the COVID-19 pandemic.

⁵⁵ See <https://oec.world/en/profile/country/zaf>.

⁵⁶ Lefebvre, "Iran's Scramble," 133-36; Steele, "Two Kings," 1375-92.

⁵⁷ Lefebvre, "Iran's Scramble," 133-38.

⁵⁸ Lefebvre, "Iran's Scramble," 133-38.

foreign policy priority – even while maintaining ties with Ethiopia.⁵⁹ The one mitigating factor to this cooling of relations was the material support Addis Ababa offered to Tehran during the Iran-Iraq War, as evidenced by Iran’s increased, though fluctuating, exports to Ethiopia from 1984 to 1987 (see figure 3.6).

After the war and during the 1990s, Iran and Ethiopia sought to expand relations in the areas of oil, energy, mining, agriculture, commerce, and culture.⁶⁰ However, bilateral trade flows remained low through most of the decade until 1997 due to a further cooling of relations between both countries, this time on account of Ethiopia’s policy toward Iran (see figure 3.6). During this period and after the fall of the Soviet Union in 1993, the newly pro-Western and secular states of Ethiopia and Eritrea formed an alliance with the United States and Egypt against non-aligned and Islamist Sudan and Iran. This alliance held until Addis Ababa and Asmara went to war over the Badme border dispute from 1998 to 2018. During this period, Iran’s exports to Ethiopia significantly increased, especially during Ahmadinejad’s presidency (2005-13), and its net trade surplus vis-à-vis the country corresponded with high oil prices (see figure 3.6). As part of his Third Worldist policy and as international oil prices rose, Ahmadinejad engaged more closely with Ethiopia and other African countries, including Eritrea, which experienced tensions with the United States for supporting al-Shabab in Somalia.⁶¹ This engagement with Ethiopia encompassed expanded relations in the following areas: agricultural and rural development, industry and infrastructure, education and employment, culture and religion, travel and tourism, and trade and commerce.⁶² It was partly pursued to influence Ethiopian votes in the UN General Assembly on Iran’s human rights record and other issues.⁶³

During the presidency of Hassan Rouhani (2013-21), and as was the case with the rest of SSA, trade flows between Iran and Ethiopia steeply declined to negligible levels for three reasons (see figure 3.6). First, during Ahmadinejad’s presidency and in response to Iran’s nuclear activities, the United States imposed draconian sanctions against its oil, banking, and shipping sectors. Second, as international oil prices sharply declined and Iran’s trade surplus with African countries like Ethiopia reversed, Rouhani pursued a foreign policy of disengagement from Africa and the Global South to focus on reducing sanctions and raising investment (FDI) by negotiating and signing the JCPOA with the United States and the rest of the P5+1.⁶⁴ Third, beginning with the Yemeni Civil War and due to the strategic significance of the HOA and Red Sea as they pertained to the conflict, Saudi Arabia and the UAE embarked on a diplomatic offensive by using military and economic assistance to persuade all the countries in the region (Djibouti, Eritrea, Ethiopia, Somalia, and

⁵⁹ Lefebvre, “Iran’s Scramble,” 140; Banafsheh Keynoush, “Revolutionary Iran’s Africa Policy,” King Faisal Center for Research and Islamic Studies (2021): 1-152: 58.

⁶⁰ Keynoush, “Revolutionary Iran’s Africa Policy,” 60-62.

⁶¹ Lefebvre, “Iran’s Scramble,” 140-45.

⁶² Lob, “Islamic Republic,” 327-29; Keynoush, “Revolutionary Iran’s Africa Policy,” 61-63; Eric Lob, “Iran’s Foreign Policy and Development Activities in Africa: Between Expansionist Ambitions and Hegemonic Constraints,” in Robert Mason and Simon Mabon (eds.), *The Gulf States and the Horn of Africa: Interests, Influences and Instability* (Manchester: Manchester University Press, 2022), 68-98: 75-76, 78, 86-87.

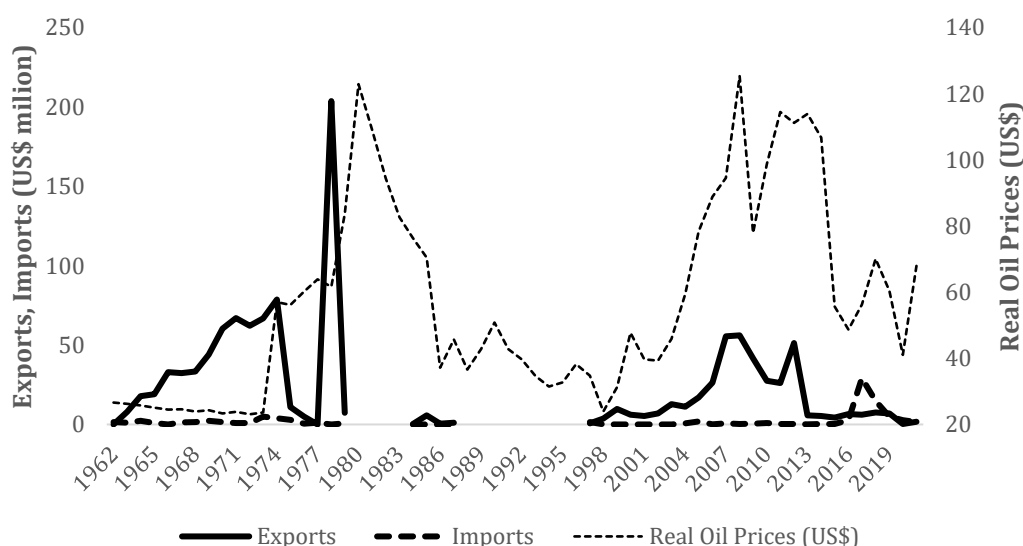
⁶³ Lob, “Islamic Republic,” 338FN86; Lob, “Iran’s Foreign Policy,” 80.

⁶⁴ Bagheri and Lob, “Rouhani’s Africa Policy,” 154-73.

Sudan) to end formal relations with Iran in 2016.⁶⁵ In 2021, the UAE and Saudi Arabia ranked as Ethiopia’s first and fifth export partner while the UAE ranked as its fourth import partner.⁶⁶

All these factors caused Addis Ababa to distance itself from Tehran, including in the area of trade. At the same time, Ethiopia was the only country in the HOA that did not cut ties with Iran. As such, bilateral trade flows, especially in the form of Iran’s imports from Ethiopia and its trade deficits with it, increased between 2016 and 2018 when oil prices reached their lowest levels (see figure 3.6). This momentary increase was partly the byproduct of the partial sanctions relief that accompanied the JCPOA during this period. It also corresponded with Tehran’s efforts to salvage relations with Addis Ababa by exchanging business delegations with it and inviting it to an agricultural summit in 2017, after the other HOA states had severed relations with Iran.⁶⁷ Between 2019 and 2021, Iran’s imports from Ethiopia steadily dropped to negligible levels after the United States’ withdrawal from the JCPOA and reimposition of sanctions against Iran, as part of its campaign of maximum pressure (see figure 3.6).

Figure 3.6. Iran’s Exports to and Imports from Ethiopia versus Real Oil Prices (1962-2021), with Data Missing for 1980-81, 1983, 1988-89, 1991-92, 1994, and 1996.



Notes: Iran’s exports and imports (represented by the left vertical axis) are in real terms as the US dollar-based measures were converted into 2021 prices by using the US consumer price index. Real oil prices were calculated as the West Texas Intermediate spot crude oil prices converted into 2021 prices by using the US consumer price index.

Following the US withdrawal from the JCPOA and the end of the Eritrean-Ethiopian War in 2018, Iran-Ethiopia relations expanded partly as a result of the rapprochement between Washington and Asmara.⁶⁸ Additionally, Tehran and Addis Ababa aligned on preserving the JCPOA, resolving the Yemeni Civil War through political means, and combatting Sunni militant groups like ISIS/ISIL,

⁶⁵ Bagheri and Lob, “Rouhani’s Africa Policy,” 172; Lob, “Iran’s Foreign Policy,” 84-85.

⁶⁶ See <https://oec.world/en/profile/country/eth>.

⁶⁷ Keynoush, “Revolutionary Iran’s Africa Policy,” 62; Lob, “Iran’s Foreign Policy,” 86-87.

⁶⁸ Lefebvre, “Iran’s Scramble,” 148.

al-Qaeda, and al-Shabab in the Middle East and SSA.⁶⁹ During the presidency of Ebrahim Raisi (2021-present) and the premiership of Abiy Ahmed Ali (2018-present), these relations further improved after Iran provided Ethiopia with combat drones and other military aid during the Tigray War (2020-22).⁷⁰ Despite the continuation of US maximum pressure against Iran and the decline of Iran's imports from Ethiopia during this period, its expanded relations with Addis Ababa explained the slight increase in its exports to Ethiopia in 2021 (see figure 3.6).

3.3.3. Zambia

Like Ethiopia, Zambia was a larger trading partner in SSA of the Pahlavi monarchy than the Islamic Republic. However, unlike Ethiopia, Zambia's trade flows and balances with Iran dramatically changed before and after the Iranian Revolution. Like South Africa, Zambia was a metal exporter. Consequently, concerning trade complementarities and balances, Zambia imported petroleum from Iran and exported primary commodities (copper, gold, and stones) to it, causing the Pahlavi monarchy to maintain a trade surplus, unlike the Islamic Republic. During the Pahlavi monarchy, Zambia ranked third and accounted for 9.12 percent of Iran's average annual trade balance with SSA. By contrast, during the Islamic Republic, Zambia ranked seventeenth and comprised 0.23 percent of Iran's average annual trade with the continent. This trend demonstrated that geopolitical conditions and elite agency trumped trade complementarities and specialization patterns, with Zambia being a metal exporter like South Africa.

Little is known or has been written about Iran-Zambia relations during the Pahlavi monarchy. Between 1967 and 1974, bilateral trade flows in the form of Iran's exports to Zambia rose significantly. They peaked at historical levels in 1972 before steadily dropping to negligible ones from 1975 to 1979 (see figure 3.7). The rise in trade flows during this period coincided with the Shah establishing and expanding relations with Ethiopia and over thirty other countries in SSA, including Zambia. The subsequent drop in these flows corresponded with the cooling of relations between Iran and Ethiopia and the OAU, more broadly, after Selassie was overthrown by a military coup and the Shah supported Somalia during the Ogaden War.

More is known and has been written about Iran-Zambia relations after the Iranian Revolution. As reflected by their low trade flows and balances, these relations never fully materialized due to various challenges and obstacles. Zambia was one of the first African countries to recognize the revolution. However, it initially sided more closely with Baghdad during the Iran-Iraq War. Later in the war during the mid-1980s, Iran-Zambia relations improved as both countries coalesced around non-alignment and anti-apartheid. These ideological affinities, coupled with Iranian financial assistance to Zambia, caused the latter to adopt a neutral stance and mediate the end of the conflict. After the war during the 1990s, Zambia's new president, Frederick Chiluba (1991-2002), strengthened ties with Israel and severed those with Iran due to its purported proselytization of Shia Islam and its influence with Muslim opposition groups inside the Christian-majority country.⁷¹ Between 1995 and 2002, Iran's exports to Zambia fluctuated and remained low while its imports from Zambia were nonexistent (see figure 3.7).

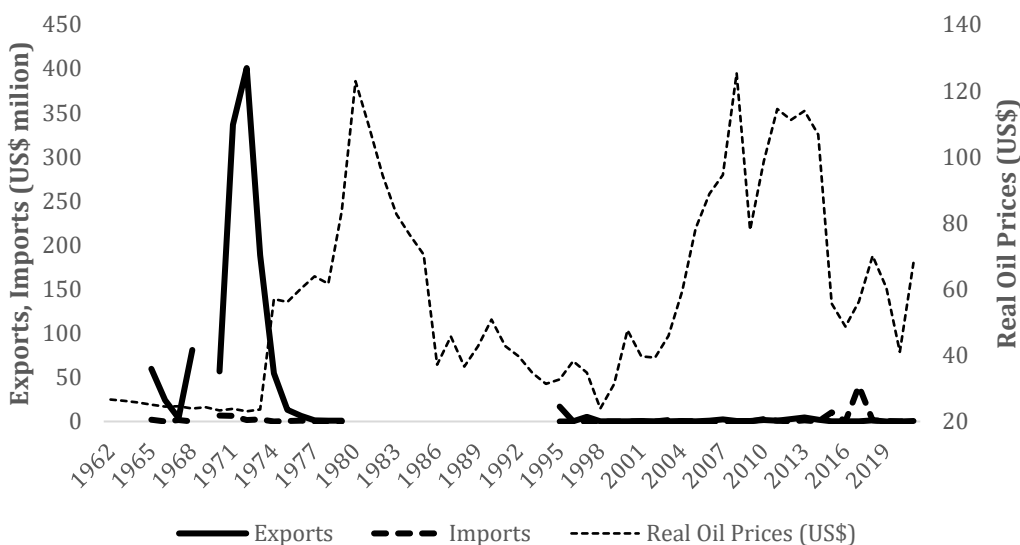
⁶⁹ Keynoush, "Revolutionary Iran's Africa Policy," 61.

⁷⁰ Banafsheh Keynoush, "Iran to remain a key partner for Ethiopia in the Tigray conflict," Middle East Institute (January 26, 2022), <https://www.mei.edu/publications/iran-remain-key-partner-ethiopia-tigray-conflict>.

⁷¹ Keynoush, "Revolutionary Iran's Africa Policy," 142-43.

During the 2000s and 2010s, Zambia reestablished relations with Iran, and both countries agreed to cooperate in the areas of trade, commerce, energy, and mining, among other sectors.⁷² Specifically, Iran imported copper from Zambia which comprised over 70 percent of its total exports in 2020.⁷³ In exchange, and despite having high trade complementarities with Zambia, Iran endeavored to export oil to it, but encountered unfavorable competition from Gulf Arab rivals. Consequently, and irrespective of intermittent Iranian imports from Zambia, bilateral trade flows and balances remained negligible during this period. The one exception was a momentary increase in Iran’s imports from Zambia, presumably of copper, between 2015 and 2017, after the signing of the JCPOA and before the US campaign of maximum pressure (see figure 3.7).

Figure 3.7. Iran’s Exports to and Imports from Zambia versus Real Oil Prices (1965-2021), with Data Missing for 1969 and 1980-94.



Notes: Iran’s exports and imports (represented by the left vertical axis) are in real terms as the US dollar-based measures were converted into 2021 prices by using the US consumer price index. Real oil prices were calculated as the West Texas Intermediate spot crude oil prices converted into 2021 prices by using the US consumer price index.

During the US campaign of maximum pressure from 2018 to 2021, Iran’s imports from Zambia steadily declined to negligible and nonexistent levels while bilateral trade stagnated. As in the past, and even after Chiluba’s presidency, bilateral relations were hampered by Zambia’s persistent distrust of Iran for purportedly propagating Shia Islam and supporting opposition groups.⁷⁴ This distrust was likely exacerbated by pressure on Zambia from Iran’s regional rivals, such as Israel, Saudi Arabia, and the UAE, to distance itself from Iran or completely cut ties with it. In 2021, the UAE ranked as Zambia’s fifth export partner and its third import partner.⁷⁵

⁷² Keynoush, “Revolutionary Iran’s Africa Policy,” 142-43.

⁷³ See <https://oec.world/en/profile/country/zmb>.

⁷⁴ Keynoush, “Revolutionary Iran’s Africa Policy,” 143-44.

⁷⁵ See <https://oec.world/en/profile/country/zmb>.

4. Conclusion

Despite the literature framing the Iranian Revolution as a critical juncture historically and socio-politically, Iran's trade relations and patterns with SSA during the Pahlavi monarchy and the Islamic Republic remained somewhat consistent between 1962 and 2021. During this period, both regimes mostly maintained a trade surplus or positive balance with similar countries on the continent. At the same time and compared with the Pahlavi monarchy's trade activities and flows in SSA, the Islamic Republic contained less diverse trading partners, lower average annual trade percentages versus values adjusted for inflation, more diverse export compositions with lower concentrations of petroleum and related products, and more diverse import compositions with more manufactured and capital goods. The reason for Iran's continual trade surplus or positive balance with SSA was that the value of its exports – which were mainly composed of petroleum and related products – exceeded its imports of primary commodities, raw materials, and agricultural foodstuffs from the continent.

On the surface and due to Iran's trade surplus or positive balance with SSA, there seemed to exist a dependency dynamic and relational equality between both sides. That said, this dependency and inequality were mitigated by low and fluctuating trade volumes. These volumes complicated and challenged the rhetoric surrounding South-South solidarity and reciprocity between Iran and SSA, as well as Iran's expansionist and hegemonic ambitions and activities on the continent. They were the result of historical inertia or path dependency and structural factors like trade complementarities and geopolitical conditions more than demographic, cultural or religious realities. At the same time, the Islamic Republic proselytized Shia Islam and supported Muslim groups inside the territory of some trading partners to the detriment of bilateral relations. These volumes were also the byproduct of the agency and decision-making of different Iranian leaders and officials regarding the extent to engage with SSA and vice versa.

During the Islamic Republic and under Rafsanjani, Iran's trade volumes with SSA peaked after its resumption of formal relations with post-apartheid South Africa, its largest trading partner on the continent by far. Under Khatami, these volumes initially decreased and subsequently increased because of his conciliatory foreign policy and heightened diplomatic activity on the continent. Despite intensified US sanctions in response to Iran's nuclear activities, its trade volumes with SSA remained relatively resilient because of Ahmadinejad's embrace of Third Worldism and his engagement with the continent, not to mention high oil prices. Afterward, these volumes dramatically declined due not only to the sanctions that Rouhani inherited from his predecessor, along with plummeting petroleum prices. They also drastically decreased due to his policy of prioritizing the United States and West over Africa and the Global South to alleviate the Islamic Republic's international isolation and economic adversity. This policy, combined with increased US sanctions, opened the door for Iran's regional rivals, including Saudi Arabia, Turkey, and the UAE, to bolster their trade with SSA, as they pursued an assertive diplomacy on the continent to gain African support and isolate the Islamic Republic during the Yemeni Civil War. It was ultimately undermined by the United States' withdrawal from the JCPOA and its imposition of maximum pressure against Iran in 2018. Consequently, and after rebounding slightly during and after the signing of the JCPOA, Iran's trade volumes with SSA noticeably declined between 2018 and 2021.

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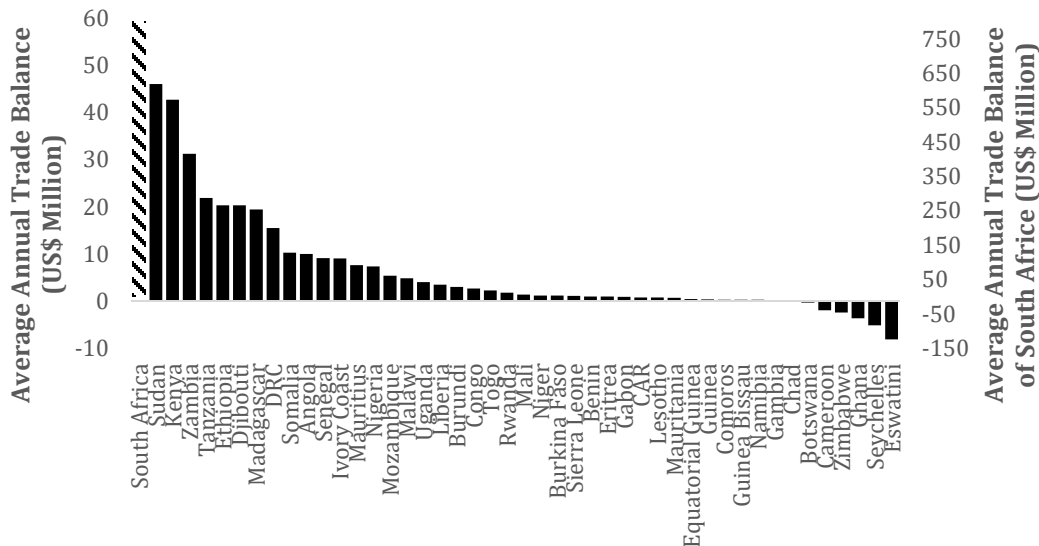
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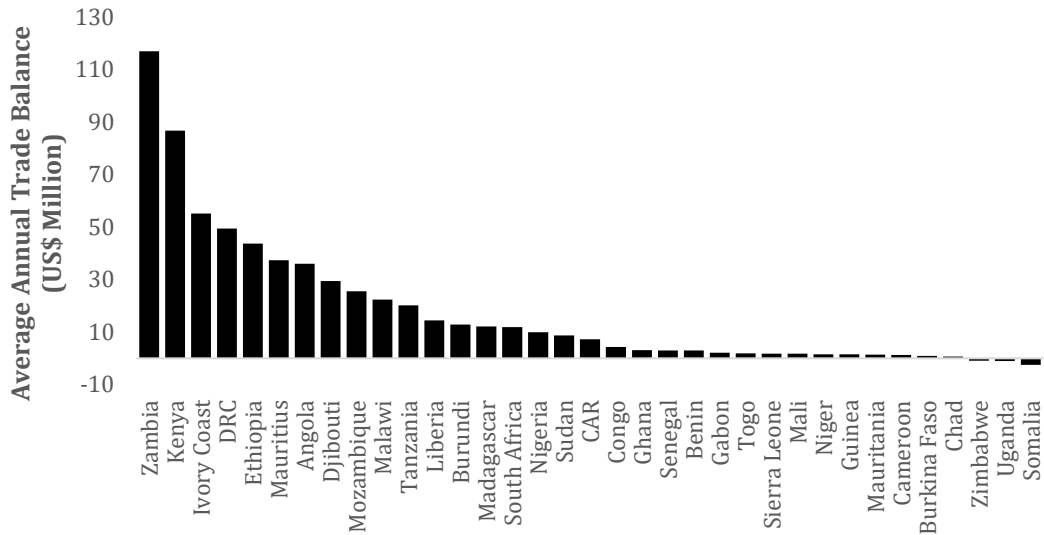
Appendix

Figure 1.1. Iran’s trading partners in SSA with average annual trade balances in USD million adjusted for inflation (1962-2021).



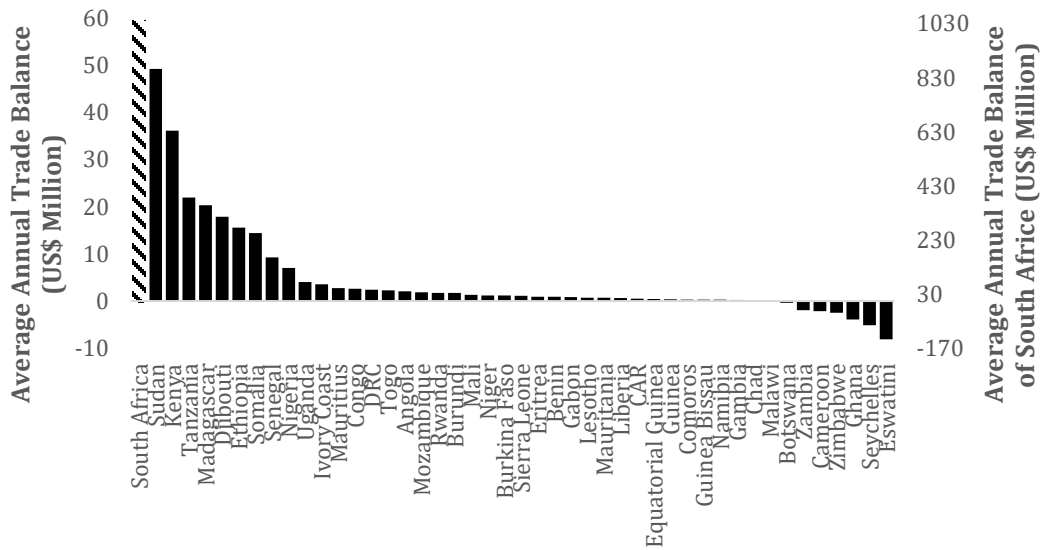
Notes: Trade balances are in real terms as the US dollar-based measures were converted into 2021 prices by using the US consumer price index. South Africa is represented by the right vertical axis, whereas all other countries are represented by the left vertical axis.

Figure 1.2. The Pahlavi monarchy’s trading partners in SSA with average annual trade balances in USD million adjusted for inflation (1962-78).



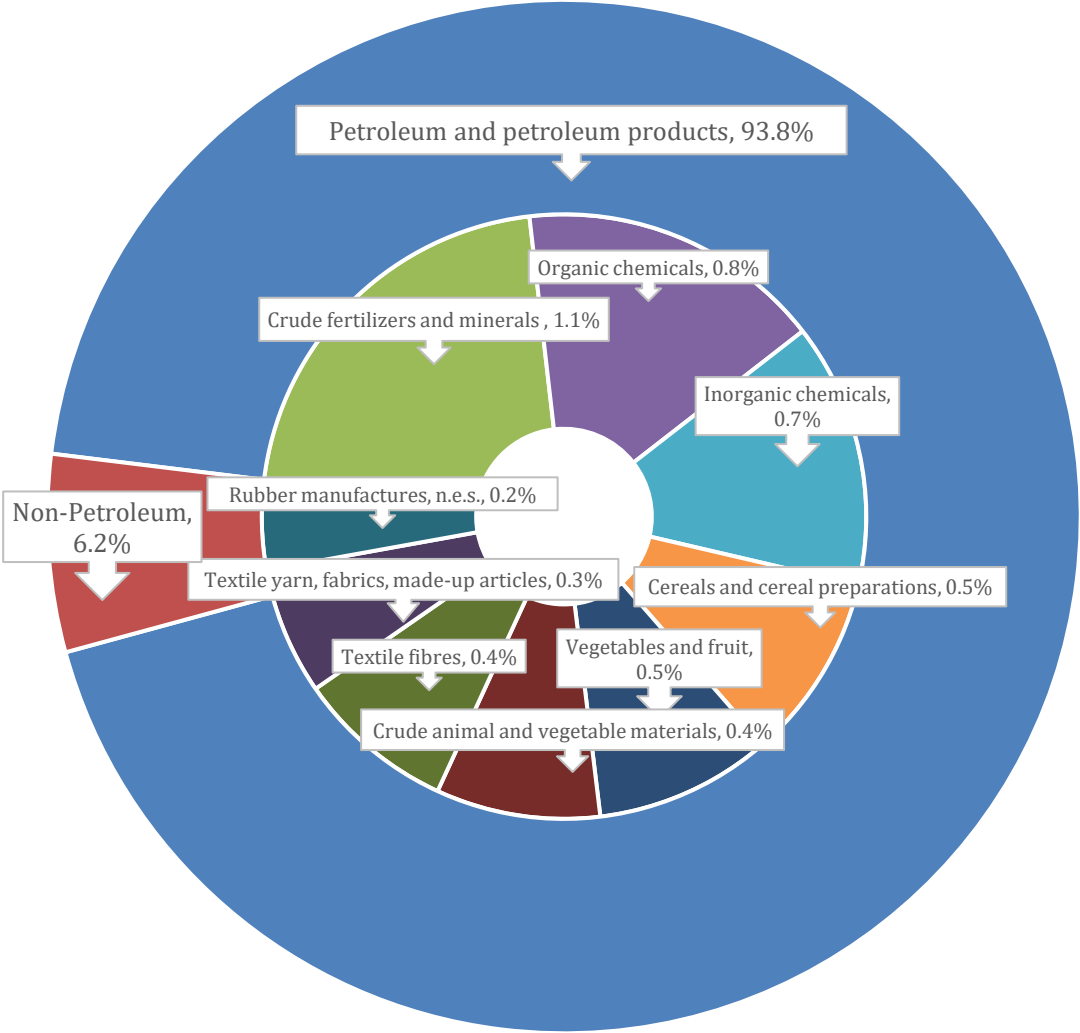
Notes: Trade balances are in real terms as the US dollar-based measures were converted into 2021 prices by using the US consumer price index.

Figure 1.3. The Islamic Republic’s trading partners in SSA with average annual trade balances in USD million adjusted for inflation (1979-2021).



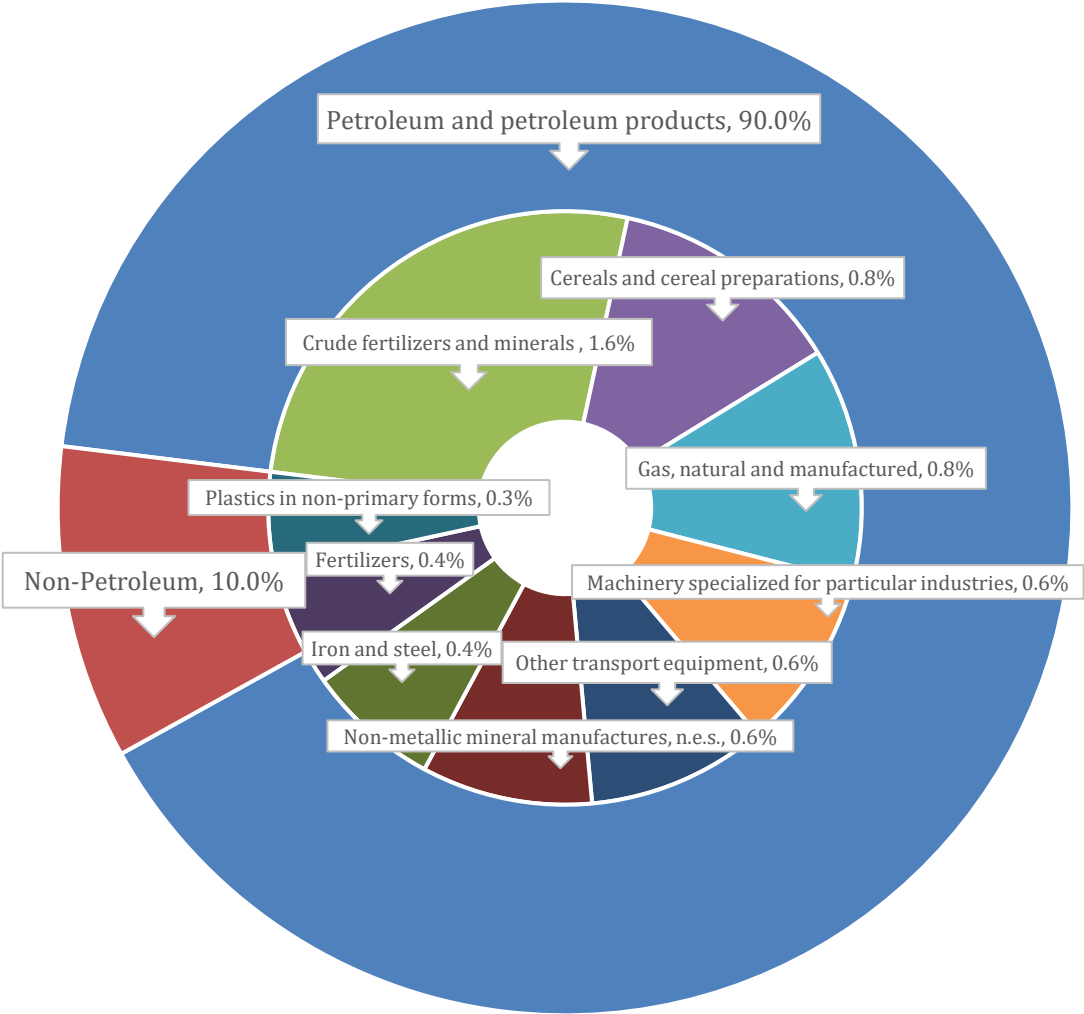
Notes: Trade balances are in real terms as the US dollar-based measures were converted into 2021 prices by using the US consumer price index. South Africa is represented by the right vertical axis, whereas all other countries are represented by the left vertical axis.

Figure 2.1. The composition of the Pahlavi monarchy’s total exports to SSA valued in USD adjusted for inflation between 1962 and 1978 (top ten product categories).



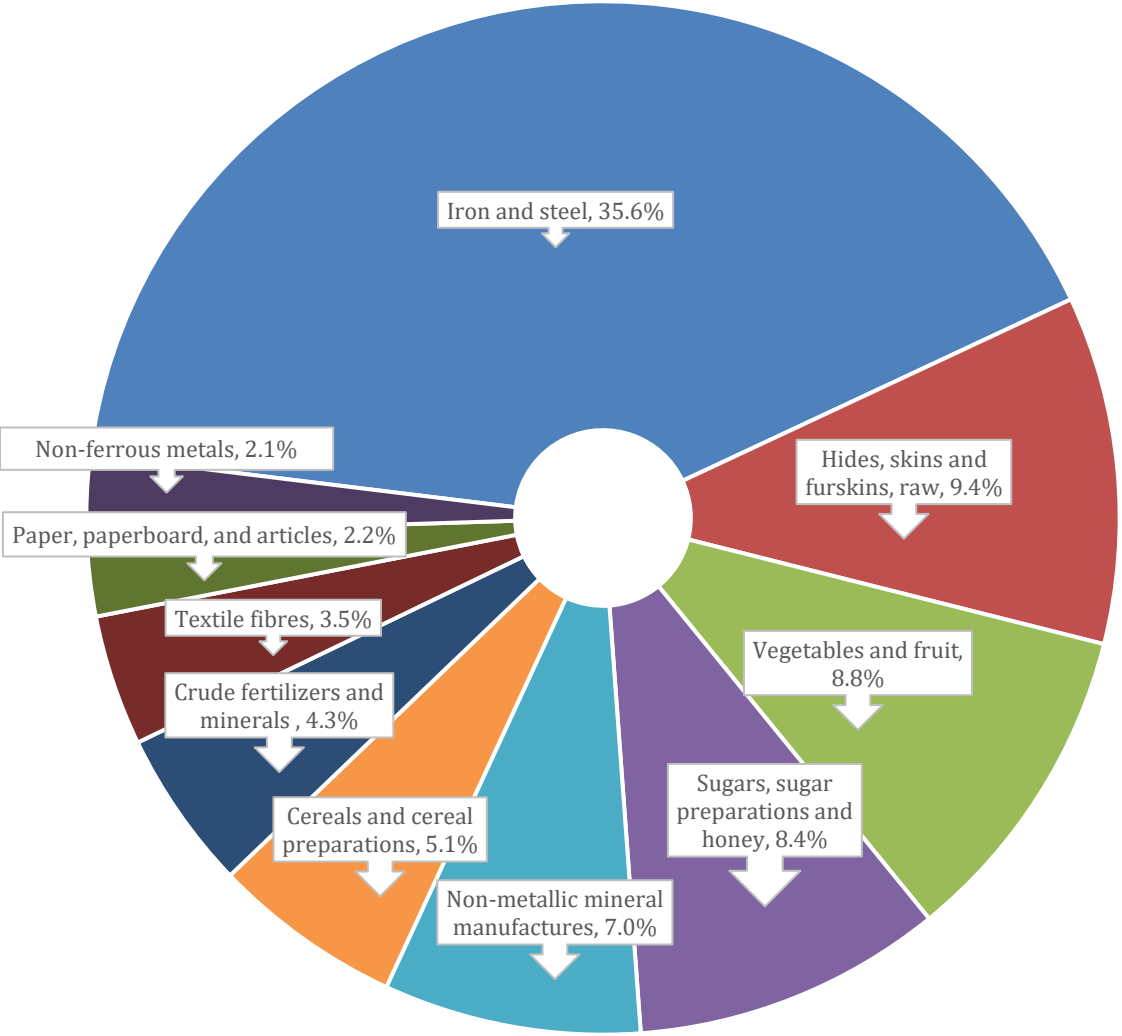
Notes: The composition is based on the two-digit SITC product categorization.

Figure 2.2. The composition of the Islamic Republic’s total exports to SSA valued in USD adjusted for inflation between 1979 and 2021 (top ten product categories).



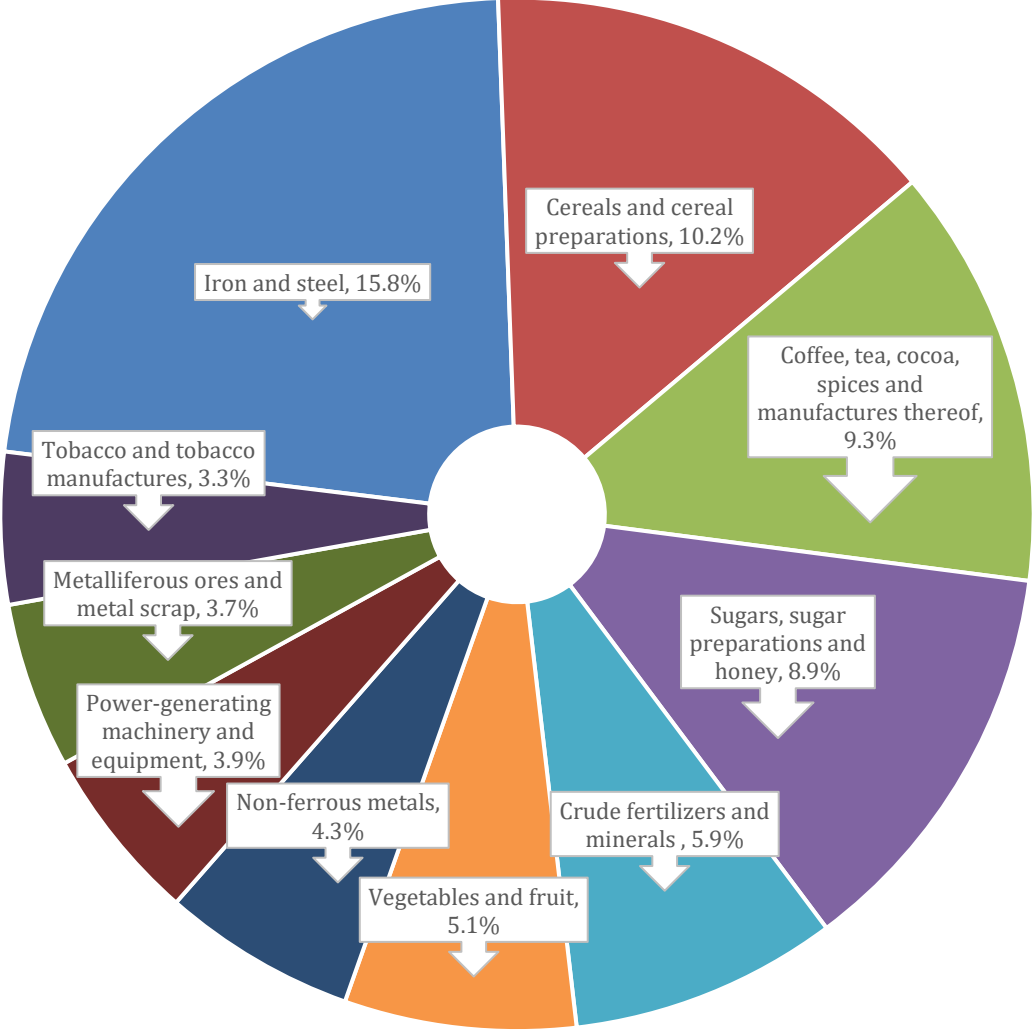
Notes: The composition is based on the two-digit SITC product categorization.

Figure 2.3. The composition of the Pahlavi monarchy’s total imports from SSA valued in USD adjusted for inflation between 1962 and 1978 (top ten product categories).



Notes: The composition is based on the two-digit SITC product categorization.

Figure 2.4. The composition of the Islamic Republic’s total imports from SSA valued in USD adjusted for inflation between 1979 and 2021 (top ten product categories).



Notes: The composition is based on the two-digit SITC product categorization.