

On the Way to Corridorization

A glance at politico-economic trends of Iran becoming corridor hub

Corridor as a political issue

Corridors should be looked at first from a geopolitical and political point of view, and then from an economic point of view, as the construction of a corridor brings geopolitical and strategic consequences more than economic consequences.

For a long time the issue of corridors and transit in Iran has been discussed at different levels, and the significance of Iran's geography in international transit along with the positive role it can play in this regard have brought the discussion to a social demand in the public opinion. But care must be taken to ensure that public opinion is directed in the right direction; that is, the expectations that have been formed regarding the consequences of the corridor's construction should be in accordance with the facts.

When it is said to be in accordance with the real function of the corridors, it means that the economic benefits and forex revenues of the corridors should not be magnified too much because, basically, such attitude towards corridors is not comprehensive and correct. Due to the political developments in the Iranian decade to 2021, and the events that occurred during the years regarding energy production and the distribution market in the world, Iran's role and position in the global supply chain has become weaker than before.

Undoubtedly, the political statement that "Iran has been removed from the world chain" does not hold true in any sense, as the term "removal" from a chain is not suitable for Iran,

nor can it be applied to any other country.

Iran cannot be ignored in global equations because of its unique geography, rich resources, and political power, based on thousands of years of history and culture. However, Iran's role has faded in the past few years and needs to be restored.

Restoring Iran's regional and global role is manifested in the best way in the corridor sector, as it can provide the security of roads and goods, and in terms of time of goods transfer, due to the unique geography and existing infrastructure, it can speed up the transfer of goods. Therefore, corridors can reshape Iran's role in the global supply chain. The same issue leads to the second result and positive consequence, that is, creating deterrence against sanctions.

For example, the amount of goods transferred between China and Europe by rail stands at 100 million tons per year. If the transit goes through Iran, it will no longer be easy to bring Iran into the economic war and the game of sanctions, as the world powers' dependence on Iran will not give them too much leverage on the economic war.

In this case, the disruption in Iran's relations will be, for example, the disruption in China's relations with Europe, while the relationship between China and Europe is just an example.

As a result, if Iran establishes its position as a cost-effective and safe way, this corridor can no longer be easily blocked.

Politico-economic links of corridors

Due to the prevalence of the economic aspects of corridors, issues such as the relationship of governance with the corridorization of Iran have been neglected. There are a series of principles that form the foundation of governance in the Islamic Republic, as some may raise the doubt that the country won't be able to set up corridors to turn Iran into a transit hub due to its security and ideological considerations.

On the one hand, some of our borders are closed and the transit of some goods is prohibited; on the other hand, we have political and border tensions with some countries, and these factors collectively make Iran known as an unattractive way. But the opposite is true. The most

important preliminary condition for a country to become a corridor is not the legal restrictions it imposes on its customs regulations. Instead, it primarily hinges on not exploiting the capacity of its roads.

When a country becomes a corridor or a hub, industries and services related to the corridor are established in that country. Services such as warehousing, re-exporting, loading and unloading equipment are among the said industries, and all of these create a power and possibility that makes other countries dependent on the corridor hub, and on an extended level, it will influence regional and global equations. Moreover, it also indicates that Iran does not have a "non-technical" or politi-

cally motivated approach toward other nations.

Enjoying corridor status can establish a new relationship between Iran and the world; that is, a state of adhesion and economic connection. However, the economic link does not fetch an eye-catching amount of forex or special economic achievement. The important thing is that the economic adhesion and connection can lead to a kind of deterrence in the US economic war against Iran.

For example, if we increase the transit of goods to 50 million tons per year, its direct revenue may reach \$10 billion, which is not a high figure for a country like Iran. But the depth of dependence it creates on Iran can be very im-

portant.

Therefore, in governance, it is better to adjust some views and policies by avoiding a one-dimensional economy-oriented view. By the way, along with their economic benefits, corridors are also cost-generating and create traffic or speed up the depreciation of roads and equipment. But the problem is that a strategic look at corridors requires not to focus only on their direct economic benefits. The passage of every truck through the country requires jobs and products that will necessarily be created, including repair shops, spare parts plants, road development, re-exports and dozens of other things that complement each other in a cycle.

