The Dragon's Fuel: Developing Chinese-Iranian Cooperation

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The Dragon’s Fuel
Developing Chinese-Iranian Cooperation

Nader Khorassani
Introduction: Nascent Partners

In today’s world there exist numerous countries working together in order to pursue common goals. Some countries form formal coalitions, like the EU or NATO, while others operate within a looser, less overt system. Two countries beginning to show signs of this latter form of cooperation are China and Iran. Both countries share a number of key interests, and together, may be capable of achieving them.

Chinese-Iranian cooperation is important for numerous reasons, firstly because it presents implications for controlling nuclear proliferation. It is no secret that Iran is actively pursuing nuclear weapons, and in this context China could play a key role in international efforts to stop Tehran from obtaining nuclear weapons. With ties to both the West and Iran, China is in the rare position of wielding influence over both sides of the Iranian nuclear dilemma. While western states view Iranian development of nuclear weapons as something that is dangerous and which must be prevented, it is unclear whether or not China shares this view. As a veto-wielding member of the Security Council, deepening Chinese-Iranian relations thus could complicate the control of nuclear weapons proliferation, as China could undermine US-led initiatives to derail Tehran’s nuclear program.

Sino-Iranian cooperation also presents implications for the global energy supply. Iran, although rich in natural gas and oil deposits, has seen relatively little exploitation of its energy resources. While many countries are reluctant to deal with Iran’s energy sector due to US discouragement, China appears to be bucking this trend. Recent developments show Chinese oil companies engaging in business with Iranian oil companies, and indicate Chinese interests in securing Iranian oil. As the world’s fastest growing economy, China needs to secure sufficient energy resources to help fuel its astronomical rate of development. In search of a secure energy
source, China could partner with Iran to alleviate the worry of future energy supply shortages. Chinese-Iranian cooperation could thus potentially impact the global energy supply, as resulting from this collaborative effort to develop Iran’s oil industry, China may block other nations from gaining access to this oil in the future.

China’s role in the world order could also be influenced by deepening its ties with Iran. Following the financial crisis of 2008, China’s status as a major political power was cemented, and as a result changes in Chinese behavior have become apparent. China has become more confident, and has begun to pursue a more aggressive foreign policy as a result. China is currently faced with a US presence in its own region, with the US Navy patrolling the waters of the western Pacific. Eager to diminish US influence in the East Asia region, China appears to be searching for ways to cut US power across the globe. Iran could potentially aid China on this quest. Through resisting US initiatives to isolate and weaken Iran, China can undercut the US’s ability to dominate the Middle East. Could China be hoping a strengthened Iran is enough to distract the US away from East Asia?

The Middle Eastern balance of power could also be affected by deepened Chinese-Iranian ties. Iran has been the target of US discrimination ever since the Islamic Revolution in 1979, and as such has struggled economically, and politically. Located between Afghanistan and Iraq, two US-occupied countries, Iran fears it is next on the short list of countries that will face a US invasion. China, meanwhile, has to potential to undermine western efforts to suffocate Iranian growth. Through aiding it to prosper, China could help establish Iran as a great power in the Middle East, and disrupt the strategic balance of power which currently exists in the region.

Although they share a number of common interests, cooperation between China and Iran is a complicated issue. As Iran is viewed largely as a rogue state by the international
community, countries that demonstrate a willingness to cooperate with it inevitably face international scrutiny. China in the past has been forced to choose between its mutual interests with Iran and those with other countries, such as the US. The contemporary political landscape has seen China gain a considerable amount of leverage over the US, and in turn it is able to be more aggressive in its pursuit of its foreign policy goals and can resist US coercion more effectively. Its cooperation with Iran has increased as a result of this development. The key to a number of its most pressing interests, Iran could be a critical ally in China’s future foreign policy.
Chapter I: The Iranian Nuclear Dilemma

One of the most complicated and critical current international political issues is the Iranian nuclear dilemma. The Iranian government is determined to develop nuclear weapons technology, which, should it occur, could have far reaching effects impacting not only Middle Eastern countries, but nations all across the globe. This complicates Iranian relations with other countries, as many are hesitant to support a regime that could be seen as attempting to overturn the balance of power in one of the world’s most volatile regions.

The Iranian Nuclear Saga

The Iranian nuclear program has undergone major developments in recent years, even while the country has been punished with numerous rounds of UN sanctions. Although not yet believed to be in possession of a nuclear bomb, Iran has never been as close to obtaining one as it is now, nearing “nuclear breakout capability.” Once a nuclear breakout capability is reached, a bomb could feasibly be constructed in as little as “a few months”2. Although the official stance of the Iranian government regarding its nuclear program remains that it is intended solely for “peaceful”3 purposes in order to “diversify its energy portfolio,”4 its behavior surrounding the program indicates otherwise. In spite of UN mandates ordering it stop, Iran has “continued its uranium enrichment operations,”5 and, after US intelligence penetrated Iranian computer

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3 “Ambassador: Iran’s Nuclear Program Peaceful,” IRNA, 30 September 2009
5 “UN Sanctions Against Iran,” http://news.bbc.co.uk/2/hi/middle_east/8273932.stm
networks, evidence that “Iran sought to design a nuclear weapon”\textsuperscript{6} surfaced. Further, in September 2009 the US, Britain, and France revealed that there existed a “multiyear Iranian effort (…) to build a secret uranium enrichment plant deep inside a mountain.”\textsuperscript{7} Adding to the evidence that this plant was weapons focused, and not for civilian nuclear technology, are its “size, secrecy, and location on a Revolutionary Guards base.”\textsuperscript{8} While it is too small to enrich sufficient amounts of fuel for “commercial use”\textsuperscript{9} it is adequate to make weapons. Its location on a military installation, meanwhile, only increases suspicions surrounding its existence. This “serial deception of many years,”\textsuperscript{10} as described by Prime Minister Gordon Brown of England, is the main reason that the Iranian nuclear program is looked upon with such suspicion. Although Iran maintains that its activities are “completely legal,”\textsuperscript{11} its continued march towards uranium enrichment remains a source of international concern.

The international community has so far been largely united against Iran, with a few countries, namely Russia and China, voicing opposition at times towards the tactics being employed to deter Iran’s quest for nuclear capabilities. The main deterrent used is the imposition of economic sanctions on Iran through the UN. The first round of sanctions was imposed in December of 2006, when Iran failed “to halt uranium enrichment”\textsuperscript{12} after the IAEA ordered it to do so. The sanctions blocked “the import or export of sensitive nuclear materiel and equipment and freezing the financial assets of persons or entities supporting its proliferation sensitive

\textsuperscript{7} Sanger and Board, “U.S. and Allies Warn Iran Over Nuclear ‘Deception,’” \textit{The New York Times}, 26 September 2009
\textsuperscript{8} Sanger and Board, “U.S. and Allies Warn Iran Over Nuclear ‘Deception,’” \textit{The New York Times}, 26 September 2009
\textsuperscript{9} Sanger and Board, “U.S. and Allies Warn Iran Over Nuclear ‘Deception,’” \textit{The New York Times}, 26 September 2009
\textsuperscript{10} Sanger and Board, “U.S. and Allies Warn Iran Over Nuclear ‘Deception,’” \textit{The New York Times}, 26 September 2009
\textsuperscript{11} Sanger and Board, “U.S. and Allies Warn Iran Over Nuclear ‘Deception,’” \textit{The New York Times}, 26 September 2009
\textsuperscript{12} “UN Passes Iran Sanctions,” http://news.bbc.co.uk/2/hi/6205295.stm
nuclear activities or the development of nuclear-weapon delivery systems.”

Then, in March 2007, after the first round of sanctions was ineffective, more largely financial sanctions were imposed, in the hopes that they would “leave Tehran more isolated,” and stifle financial support for the nuclear program. Finally, after previous sanctions were yet again unsuccessful, the UN imposed a final round in 2008, but also came to “the end of the line on new initiatives that will move the Iranians significantly.” The sanctions were noticeably watered down, reflecting both events to be discussed in Chapter III, and also mounting international skepticism over their effectiveness. The skepticism over their effectiveness was warranted, as Iran has yet to halt its uranium enrichment program.

Diplomatic efforts apart from sanctions have also failed to contain Iran’s nuclear program. In October of 2009, after the five members of the UN Security Council and Germany held negotiations with Iran attempting to solve the issue by proposing that a third party enrich uranium on Iran’s behalf, Iran rejected the offer. Iran countered with its “proposing instead that its uranium be enriched on Iranian soil by a third country, under IAEA supervision,” which was countered with another US proposal, which, again, Iran ultimately rejected. In February of 2010, Iran continued to directly defy the international community and announced its “plan to begin enriching its [uranium] stockpile to 20-percent purity.” This worries western nations since this ability would put Iran in “a position to produce weapons-grade uranium in a

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comparatively short time.”20 Iran is closer than ever before to a nuclear warhead, and as such, the potential consequences of such a development more salient than ever.

**Effects of Sanctions**

As Iran is still marching towards developing nuclear capabilities, it is clear that UN sanctions have been unsuccessful in derailing the Iranian nuclear program. The main cause of this impotency derives from the sectors of the Iranian economy which have been targeted by the punitive measures of the Security Council. The first round of sanctions, in April 2006, demanded that all countries “freeze the funds, other financial assets and economic resources owned or controlled by officials and companies in the country’s nuclear and missile programs.”21 The next round, imposed in March of 2007, focused on “constraining Iranian arms exports, the state-owned Bank Sepah — already under Treasury Department sanctions — and the Revolutionary Guard Corps,”22 which represented a slight broadening of the scope of the sanctions. The final round imposed in March of 2008 merely “increased travel and financial curbs on individuals” connected to the Iranian nuclear program,23 which demonstrated the growing international skepticism of the effectiveness of the sanctions, and in turn the reluctance to broaden their scope further.

The effects of sanctions on Iran have been acute. One long term side effect sanctions may have on Iran is on its energy sector,24 which relies on loans and investment from foreign oil companies, most of whom are vulnerable to US pressure, and have backed out of the Iranian oil

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21 “UN Passes Resolution on Iran Sanctions,” *Xinhua*, 24 December 2006
industry. Sanctions have thus helped to stifle the development of Iran’s oil refining capabilities. Nonetheless, the sanctions have had little to no effect on Iran’s actual nuclear program. As sanctions have remained closely targeted towards Iran’s financial sector, the “primary effect of the squeeze on Iranian banks has been a lack of credit, especially for imports.” Several loopholes to the sanctions exist, and much of “Iran’s banking business has been shifted to smaller boutique banks in Asia without American business,” and in turn without fear of a negative American reaction. Moreover, the segment of the Iranian population the sanctions have been affecting most are private business owners, who are also those most “likely to oppose the [current Iranian] regime,” which could pose a problem for the US if the sanctions “breed anti-Washington resentment” among this traditionally pro-west sector of the Iranian population.

This western-leaning segment of the Iranian population is also largely ignored by the government, which only adds to the indifference the Iranian regime feels towards the sanctions. The sanctions have been ineffective in derailing the Iranian nuclear program because they are too narrow in scope to effect change in the Iranian government. Even the “most targeted sanctions will be unlikely to keep Iran from crossing the nuclear threshold,” as Iran can literally continue to move its nuclear program further underground with each successive round of sanctions. Iran has successfully evaded any dire consequences for continuing its nuclear program in the face of sanctions, since the sanctions punish nothing more than the nuclear program itself. Thus, by developing more advanced methods of concealing the program, and

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continuing to bait and switch the international community, Iran has sustained minimal economic damage as a product of the sanctions.

The Regional Leader Challenged: Consequences for Israel

As Iran seems unstoppable on its march towards joining the nuclear club, the consequences of such a development must be considered carefully. Israel would be the country most directly affected by a nuclear Iran. Israel believes a nuclear Iran poses an “existential threat” due to statements made by current Iranian President Mahmoud Ahmadinejad, and it fears that a nuclear Iran will attempt to “drive them out of Palestine or place them under Muslim rule in a unitary state” and destroy it. Nuclear weapons, then, are essential to Israel’s own national security, as its “small population, and few means of protecting itself” give it few other recourses. If another Middle Eastern state were to match Israeli capabilities, Israeli security and power would be severely jeopardized, and the Israeli nuclear program would have to increase its output of weaponry. Israel also fears that Iran could provide Hezbollah or the Palestinians with nuclear or other weapons. Iran has supported Hezbollah in the past, and although Iran may not directly supply these terrorist groups with weapons, these groups may feel more secure, and under the protection of a nuclear Iran, become more brazen and aggressive against Israel.

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32 Judith S. Yaphe and Charles D. Lutes, “Reassessing the Implications of a Nuclear Armed Iran,” Institute for National Strategic Studies, McNair Paper 69, 15
33 Yaphe and Lutes, “Reassessing the Implications of a Nuclear Armed Iran,” Institute for National Strategic Studies, McNair Paper 69, 17
34 Yaphe and Lutes, “Reassessing the Implications of a Nuclear Armed Iran,” Institute for National Strategic Studies, McNair Paper 69, 16
If Iran develops nuclear capabilities, Israel would be forced to be more open about its status as a nuclear power. Although it “has never confirmed or denied its nuclear status”\(^{35}\) in an attempt to avoid being the “first nation to introduce nuclear weapons to the Middle East,”\(^{36}\) its status as a nuclear power is a public fact. Thus, if Iran acquires nuclear weapons, Israel might believe that it would be unable to “have a credible second-strike capability without testing a nuclear warhead,”\(^{37}\) the defense necessary to protect itself from an Iranian nuclear strike. Israel is extremely concerned with maintaining its image as a regional “superpower that can’t be defeated,”\(^{38}\) due to the fact that it is this image, however true or not, which constitutes a large portion of Israel’s security from its neighbors. Israelis worry that a nuclear Iran could “challenge the image of Israel’s military superiority,”\(^{39}\) and thus increase the threat level of other countries and terrorist organizations to its national security.

**Regional Ripple Effect**

The second potential consequence of the Iranian bomb is that a “domino style arms race in the region”\(^{40}\) may develop. It is likely that other Middle Eastern countries would not stand by as Iran and Israel build up their own nuclear stores. Saudi Arabia, for example, would likely begin its “own indigenous nuclear programmes.”\(^{41}\) Firstly, fearful that nuclear weapons could

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37 Yaphe and Lutes, “Reassessing the Implications of a Nuclear Armed Iran,” *Institute for National Strategic Studies*, McNair Paper 69, 18
38 Willem van Kemenade, *Iran’s Cooperation with China and the West*, (Netherlands Institute of International Relations ‘Clingendael,’: The Hague, November 2009), 64
39 Kemenade, *Iran’s Cooperation with China and the West*, 64
40 Yaphe and Lutes, “Reassessing the Implications of a Nuclear Armed Iran,” *Institute for National Strategic Studies*, McNair Paper 69, xi
embolden Iran to “aggressively intervene in the broader region,” the Saudi government would likely counter Iran in order to ensure its own security. Moreover, the threat of the “Shiite Crescent,” the dominance of Shiite Muslims—of which Iran’s population constitutes the majority—in the Middle East, would increase, and other Sunni dominated countries, such as Jordan, would likely follow the Saudi lead in balancing against Iran, perhaps through initiating its own nuclear program, or allying with other nations in the region. Stronger Shiite governments, Sunni states feel, may “weaken the ability of Sunni Arabs to defend themselves.”

Ever since the US invaded Iraq and deposed Sadaam Hussein, the balance of power in the Middle East has changed completely. Arab states fear that Iraq, a country previously ruled by a Sunni government, has the potential to be ruled by “an inexperienced, religiously volatile group of religious extremists and clerics who will tie Baghdad closely to Tehran.” An Iranian-Iraqi alliance could be quite powerful in the region, and for this reason Arab states perceive a nuclear Iran as a national security threat on the one hand, but also as a threat to the influence they have in their own region. They share the worry with the US that Tehran has ambitions to “become the dominant military power in the Persian Gulf and across the broader Middle East.”

Resulting from this fear, the US has openly discussed the possibility of erecting a “defense umbrella” over the Middle East if Tehran continues its nuclear program. Never before has the US considered such a strategy in the Middle East, and the fact its implementation is currently being considered demonstrates the urgency Arab states feel regarding Iran’s nuclear program.

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43 Yaphe and Lutes, “Reassessing the Implications of a Nuclear Armed Iran,” Institute for National Strategic Studies, McNair Paper 69, 21
44 Yaphe and Lutes, “Reassessing the Implications of a Nuclear Armed Iran,” Institute for National Strategic Studies, McNair Paper 69, 20
Internal instability is another feared consequence of many Arab state’s rulers. Alliances between Shiite dominated Iraq and Iran aside, many states, such as Kuwait, Saudi Arabia, and Bahrain, whose populations contain a high percentage of Shiite Muslims,\(^{47}\) fear domestic consequences as well. Shiite clerics, such as Ayatollah Ali Sistani, who are extremely popular and influential among Shiite Muslims across the Middle East,\(^{48}\) could challenge the control these autocratic governments have over their populations. A nuclear Iran could not only embolden Iran politically, but also the Shiite clerics who reside there. Subversion of Shiite Arabs by the newly empowered clerics could add domestic instability to the international instability a nuclear Iran may incur.

**Implications for the US and NATO**

The US also has interests in preventing Iran from going nuclear. First is the US fear that Iran could possibly become emboldened by the possession of a nuclear weapon and act more aggressively in the region. Resulting from its new status as a nuclear state, an “assertive Iran could demand that U.S. bases in the region be closed, or it could threaten to resume its efforts to export the revolution”\(^{49}\) as it did following the overthrow of the Shah in 1979. Secondly, a confident Iran could allow it to pursue riskier policies, and become more involved in Iraq. With the US still bogged down in Baghdad, if Iran wanted to cause trouble for the US, it could begin “Destabilizing Iraq by Inducing the Shi’a to Rise Up,”\(^{50}\) and make an already difficult situation in Iraq much worse. Although US fears over a nuclear Iran deal mainly with the fact that a

\(^{47}\) Yaphe and Lutes, “Reassessing the Implications of a Nuclear Armed Iran,” Institute for National Strategic Studies, McNair Paper 69, 21

\(^{48}\) Yaphe and Lutes, “Reassessing the Implications of a Nuclear Armed Iran,” Institute for National Strategic Studies, McNair Paper 69, 21

\(^{49}\) Yaphe and Lutes, “Reassessing the Implications of a Nuclear Armed Iran,” Institute for National Strategic Studies, McNair Paper 69, 9

nuclear Iran could hedge against US dominance in the region, they also consider the implications for Israel. One of the US’s strongest allies, and the only state in the region with nuclear capabilities, any threat to Israel—as a nuclear Iran could be—would pose a threat to the US as well.

Another major concern for the US, however, focuses not on potential Iranian use of the bomb, but that should Iran obtain WMD’s it may proliferate them to third party organizations. National security consultant Gregory Giles discussed in a congressional hearing in 2005 the threat that Iran could engage in an “A.Q. Khan-like network supplying WMD on the black market for terrorist groups,” and thus enable third party terrorist groups to carry out a nuclear attack. Although the chances of Iran proliferating nuclear weapons to terrorist groups are slim for numerous reasons, including the fact that these groups could use them against Iran itself, what matters most is that it is unclear “whether the regime in Tehran could reliably control” the nuclear technology it develops, and the chances of leaks of information seem to be great. As more people learn the secrets to nuclear technology, more people can accidentally let such secrets slip.

Other states with interests in keeping Iran from getting the bomb are the EU-3: Germany, the UK, and France. In the past, these powers have engaged in unsuccessful talks with Iran in an effort to halt the progress of its nuclear program, indicating their interests in diffusing the situation before Iran gets the bomb. The concerns of these countries are similar to US fears that the regional instability that may follow Iran going nuclear could disrupt the strategic balance of power in existence in the Middle East. Nevertheless, while the US seems to be more focused on

52 Yaphe and Lutes, “Reassessing the Implications of a Nuclear Armed Iran,” Institute for National Strategic Studies, McNair Paper 69, xiv
punishing Iran in an effort to halt the program, the EU is focusing on rewarding Iran should it voluntarily give up its nuclear aspirations. Although all three countries have outspokenly supported sanctions since they began in 2007, they focus more on carrots than sticks. The official EU stance on Iran recognizes that there exists “great potential for deeper relations between Iran and the EU,” such as in the fields of “science & technology, energy, transport, environment, drugs control, asylum and migration, education and culture.” Using these potential areas of cooperation, which would be of benefit to Iran’s economy, as carrots, the EU wants to highlight the benefits Iran would reap from stopping its development of nuclear technologies.

Global Energy Supply in Peril?

With increased tensions in the Middle East, another international concern would be energy security. Heightened tensions between Iran and Saudi Arabia, the two main countries straddling the Persian Gulf, could put international oil trade at risk. As roughly “40 percent of all seaborne traded oil” in the world passes through the Persian Gulf, not only would oil prices suddenly spike, but petroleum supplies worldwide could be put in extreme peril should the flow of oil be cut off. Iran is aware of this international concern, as “Explicit threats to the Strait are a key component” of its foreign policy. The credibility of such threats is unclear, nonetheless, as the Iranian navy consists mostly of “small suicide boats, mobile antiship cruise missiles, and

54 “Brief History of Relations between EU and Iran,” http://ec.europa.eu/external_relations/iran/relations_en.htm
sophisticated sea mines,” which all are ineffective in disabling the enormous oil tankers which pass through the Strait. The conventional wisdom dictating western nations’ assessment of Iranian threats to interfere with the flow of oil through the Strait “may be wrong,” since “Iran would find it so difficult, if not impossible, to close the strait.” While some thus consider the actual threats to the global energy supply to be overblown, the fact remains that forcibly maintaining the Strait open would be a costly endeavor requiring the dedication of US military resources and Navy personnel, and would also likely cause a spike in oil prices. In this regard, threats to the Strait must be taken seriously, as the consequences, although possibly not as dire as widely believed, would be nonetheless costly.

The best example of previous US intervention in maintaining the security of the Persian Gulf, ironically, was in 1984-7, when Iran was bogged down in the Iran-Iraq war. By the midpoint of this long and bloody war, the conflict had evolved into a war on each country’s imports and exports. Iraqi and Iranian missiles not only destroyed Iranian and Iraqi oil tankers, but also “civilian commercial shipping” headed for ports on the Gulf. The US, growing weary of the effects on trade, began reflagging Kuaiti ships with US flags, and escorted them through the strait with the US Navy, in order to afford at least one source of oil some protection. US presence in the gulf, and the threat of further US military intervention certainly helped to end the tanker war between Iran and Iraq. Although the US maintained official neutrality during the conflict, it is clear that the “American government consistently tilted in favor of Iraq throughout

60 “Iran Iraq War,” http://www.globalsecurity.org/military/world/war/iran-iraq.htm#
the war,”62 by leaking information to the Iraqis63 and encouraging “nonneutral practices by numerous Middle Eastern countries against Iran.”64 If conflict were to arise between Saudi Arabia, an ally of the US, and Iran, a member of the so deemed ‘Axis of Evil,’ it is likely that the US would react even stronger, and possibly intervene militarily on behalf of Saudi Arabia. Moreover, the US has become much more aggressive when it comes to energy security since the era of the Iran Iraq War, best displayed in Operation Desert Storm.

Deep Seeded Iranian Nuclear Aspirations

From the Iranian point of view, however, the obtainment of a nuclear bomb would serve a number of important national interests. First, the bomb would greatly increase Iran’s security. Scott Sagan outlines three general principles which can help explain why states pursue nuclear weapons. One of which is “the security model, according to which states build nuclear weapons to increase national security against foreign threats.”65 Iran faces numerous clear conventional and nuclear threats against which it must protect itself. It is surrounded by nuclear states in the region, such as Israel, India, Pakistan, and not to mention the US. Iran feels “strategically isolated and needs self-sufficiency to defend itself in the event of attack.”66 Iran is at the mercy of its neighbors, who all possess more advanced military technologies, and can exert more pressure on the Iranian state. A nuclear weapon would help to alleviate this pressure, and allow Iran to act more assertively in its region, and protect its own interests—like its national security—more effectively.

63 Boyle, “International Crisis and Neutrality: United States Foreign Policy Toward the Iran-Iraq War,” 538
64 Boyle, “International Crisis and Neutrality: United States Foreign Policy Toward the Iran-Iraq War,” 545
66 Yaphe and Lutes, “Reassessing the Implications of a Nuclear Armed Iran,” Institute for National Strategic Studies, McNair Paper 69, xi
Iranian security has previously suffered because of its out of date military technology, most notably during the Iran Iraq War. Iran was the victim of numerous WMD attacks, in particular chemical and biological weapons such as mustard gas, and the nerve agent tabun. Following the obvious and repeated Iraqi use of chemical weapons, Iran pleaded with the international community to condemn Iraq for its use of chemical weapons, but it was met with silence. This “failure of the international community to condemn Iraq for its CW use (…) demonstrated the indifference—if not outright hostility of the international community—towards Iran,” and signaled to Iranian leaders that “global powers were more likely to reward violations of international law than” enforce them. In part due to this past experience, Iran feels that “conventional weapons would probably not suffice to ensure their national security and deter an attack.”

Iran believes that nuclear weapons became all but essential to its security after the US invasions of Afghanistan in 2001 and of Iraq in 2003. Iran, more so than ever, feels it needs an effective deterrent to ensure its sovereignty. The US is the most technologically advanced and powerful military force on the planet today, and Iran is sandwiched between two countries currently occupied by it. Furthermore, Iran’s long coastline along the Persian Gulf leaves it vulnerable to attacks launched from US aircraft carriers stationed in the gulf. Indeed, in the past

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68 Ali, “Chemical Weapons and the Iran-Iraq War: A Case Study in Noncompliance,” 43
69 Ali, “Chemical Weapons and the Iran-Iraq War: A Case Study in Noncompliance,” 54
70 Ali, “Chemical Weapons and the Iran-Iraq War: A Case Study in Noncompliance,” 54
the US has increased the amount of aircraft carriers it positions in the gulf “as a reminder”\textsuperscript{72} to Iran of this vulnerability. If Iran possessed a nuclear weapon, it would be safer from these foreign attacks launched not only by the US, but also from Israel and other neighboring states. After watching the US invade Iraq, Iran’s fellow member of the ‘Axis of Evil,’ Iran has credible reasons to fear it may be next. But should Iran developed nuclear capabilities, the US—and any other country—would have to think long and hard before launching an attack on Iran, and consider the possibility of nuclear retaliation. After all, one bomb is enough to do serious damage to Israel. Part of the nuclear club of the Middle East, Iran would be a force to be reckoned with, and would be able to counter the threats of foreign powers, both inside and out of its region.

A second factor driving Iran’s quest for a nuclear bomb are domestic circumstances. For Iran, nuclear power has developed into a prestige piece, a “matter of national pride, where the population is largely united behind the regime.”\textsuperscript{73} This has its roots in Persian culture, which Iranians see as a previously great, ancient civilization, which has been victimized for years by foreign powers.\textsuperscript{74} The distrust the west feels towards Iran’s nuclear power program is mirrored by the Persian people, who see this western opposition as “discriminatory.”\textsuperscript{75} Suffocating Iran’s nuclear program is just another way of keeping Iran on the west’s leash, and stopping it from reaching its full potential. Scott Sagan alludes to this search for national pride as a driving force behind the quest for nuclear weapons, deeming it the norms model. He argues that military capabilities, such as nuclear weapons, make up “part of what modern states believe they have to

\textsuperscript{72} David Morgan, “New U.S. Carrier in Gulf a Reminder to Iran: Gates,” Reuters, 30 April 2008
\textsuperscript{73} Bahgat, “Nuclear Proliferation: The Islamic Republic of Iran,” Iranian Studies, 39: 3, 307-327, 323
\textsuperscript{74} Bahgat, “Nuclear Proliferation: The Islamic Republic of Iran,” Iranian Studies, 39: 3, 307-327, 323
\textsuperscript{75} Bahgat, “Nuclear Proliferation: The Islamic Republic of Iran,” Iranian Studies, 39: 3, 307-327, 323
possess to be legitimate, modern states."\textsuperscript{76} Harkening back to the ancient civilization of Persia, Iran seems fixated on nuclear technology as a status symbol which will allow it to recapture some of the international legitimacy it has lost since the 1979 revolution. After announcing Iran’s plans to enrich uranium in February 2010, Pres. Ahmadinejad was quick to proclaim that “Iran was a ‘nuclear state’,\textsuperscript{77} indicating the symbolic importance possessing nuclear weapons holds for Iran.

\textbf{Conclusion}

International efforts to derail Iran’s nuclear program have consistently failed since their genesis in 2006. Iran is resolute in its pursuit of its “inalienable”\textsuperscript{78} right to enrich uranium, for the peaceful purposes of power generation. A signatory of the Non-Proliferation Treaty, Iran does have substantial legal backing for this right, as the NPT guarantees to all participants the right to “the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear technology.”\textsuperscript{79} While Iran maintains its program is peaceful, the international community is skeptical and doubts that Iran, with bountiful stores of oil and natural gas buried beneath its land, is pursuing uranium enrichment for the sole purpose of powering its cities. Unless the international community implements newer, more effective techniques to deter Iran from developing nuclear technologies, Iran’s entry into the nuclear club seems all but inevitable.

\textsuperscript{78} Michael Slackman, “Iran’s Politics Stand in the Way of a Nuclear Deal,” \textit{The New York Times}, 2 November 2009
Chapter II: China’s Intersecting Interests Abroad

China is a growing nation with interests spread across many different areas of the world. There are a number of countries with whom it is in China’s best interest to maintain a friendly, if not cooperative relationship, none more so than the US. Chinese cooperation with Iran, meanwhile, often interferes with other countries’ agendas, and can cause tension in other important relationships. In this context, cooperating with Iran brings with it numerous complications for China

“Peaceful Rise”

Contemporary Chinese doctrine on foreign policy has been informed by its pursuit of a peaceful rise. Following this course of action, China has aimed to “develop economically by taking advantage of the peaceful international environment, and at the same time maintain and contribute to world peace by its development.” China has aimed to increase its power, economically and politically, and increase its influence abroad, but not “at the cost of any other country.” While avoiding conflict with other countries, maintaining peaceful relations with its neighbors has been key goal of the peaceful rise strategy. Another aspect of the doctrine dictates that China must “build a supportive international environment for its ascendency,” to assure the international community that it has no dangerous intentions. In turn, China has implemented a foreign policy entailing “seeking cooperation and avoiding confrontation with the U.S.”

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82 Ming Xia, “‘China Threat’ or a ‘Peaceful Rise’ of China?,” www.nytimes.com/ref/college/coll-china-politics-007.html
increasing its ties with other Asian Pacific nations, and by creating certain “strategic partnerships with the second-tier powers” such as India and Russia.

China has chosen to deepen and develop its Iran policy within its larger effort to promote its peaceful rise. This complicates matters for China. Viewed as a dangerous and subversive power by the West, the US discourages nearly all countries from cooperating with Iran. Moreover, the numerous rounds of UN sanctions imposed on Iran over its illicit nuclear program have made it more difficult for countries to carry out business with Iran, as part of the US’s strategy to keep Iran isolated from the global community. Nevertheless, China continues to cooperate with Iran in numerous fields. Although the potential for valuable rewards exists with Iranian cooperation, China has numerous other foreign policy goals it must consider simultaneously.

The US-China Economic Relationship

The Chinese-American economic relationship is of crucial interest to Beijing. In 2008, China was the “largest source of US imports” and total trade between the two countries hit “$409 billion.” China is now the “third largest export market” for US goods, and became China’s largest trading partner in 2009. The US imported $295,544.5 million worth of Chinese goods in 2009, and these imports played a large role in helping China weather the financial crisis of 2008. Maintaining this trade relationship is thus essential to Chinese interests, as without the heavy volume of commerce between it and the US, it is impossible for China’s

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84 Xia, “’China Threat’ or a ‘Peaceful Rise’ of China?,” www.nytimes.com/ref/college/coll-china-politics-007.html
economy to keep growing, as “Exports account for 35% of China’s GDP.”\textsuperscript{91} Additionally, manufactured goods such as power generation equipment, apparel, toys, and furniture, made up over 70\%\textsuperscript{92} of US imports in 2009. The US demand for Chinese manufactured goods is thus responsible for employing millions of Chinese workers. Were the trade between the US and China to decrease, Chinese factories would inevitably be forced to lay off workers as production declined, and China could face an unemployment crisis. Thus, while maintaining the high volume of trade with the US is an economic goal for the Chinese, it also is a political one, as keeping its citizens employed is essential to their prosperity, and in turn the political stability of the country.

China’s “top priority is development,”\textsuperscript{93} and to maintain its recent rapid rate of economic growth, it must continue to deepen its trade ties with the US. Furthermore, following the economic crisis of late 2008, China’s crucial role in the success of the global economy was made clear. At the G-20 summit held in the spring of 2009, China was viewed as the “solution to a host of problems,”\textsuperscript{94} such as helping to acquire international debt and helping to stabilize global demand. China cannot not reverse the crisis on its own, however, and its economic fortunes remain “deeply entangled with those of the United States, its biggest customer.”\textsuperscript{95} A high priority, then, of Beijing, is “getting America back on its economic feet,”\textsuperscript{96} and ensuring that its biggest market recovers to its previously healthy state. China needs the US to thrive economically just as much as the global market needs China’s help to reverse the recession.

\begin{itemize}
\item \textsuperscript{92} “US Imports for Consumption at Customs Value from China By Harmonized Tariff Schedule (HTS) Chapters , ranked by 2009 imports,” \textit{US International Trade Commission}, http://dataweb.usitc.gov/scripts/cy_m3_run.asp?Fl=m&Phase=HTS2&cc=5700&cn=China
\item \textsuperscript{93} “Top Chinese Legislator Confident about Future China-US economic co-op,” \textit{Xinhua}, 9 September 2009
\item \textsuperscript{95} Wines and Wong, “At G-20, China Takes Stage as Global Economic Power,” \textit{The New York Times}, 2 April 2009
\end{itemize}
Fueling the Fire: Iranian Oil

Another priority high on the agenda of the Chinese government is attaining energy security, and through cooperation with Iran, Beijing can work towards achieving just that. China’s rapidly expanding economy and infrastructure are beginning to strain its energy resources, and current Chinese policy has pegged energy security as a key objective. Coal is responsible for supplying 70% of China’s energy needs (electrical and industrial primarily), and this is projected to increase over the next 20 years. Oil, on the other hand, as of 2006, was the source of 20% of China’s energy needs. Nonetheless, Chinese “oil consumption has accelerated” in recent years due to a sharp increase in private automobile use; estimates state that “by year 2010 China is expected to have 90 times more cars than in 1990,” and its oil demand will thus skyrocket. Although coal supplies an overwhelming majority of China’s energy consumption, the “Chinese government’s energy policies are dominated by the country’s growing demand for oil and its reliance on oil imports.” Since “Imported crude oil accounted for 52 percent of the country's total oil consumption” in 2009, it comprised 10% of China’s overall energy usage. Nevertheless, since by 2030 its oil needs could match those of the US, China is “stepping up the search for overseas energy sources in order to ensure energy supply for its economic development.” Iran is a perfect match for China’s energy needs, as it is possesses natural energy resources China will desperately need in the near future.

97 “China’s Energy Demand,” http://www.ecoworld.com/fuels/chinas-energy-demand.html#
98 “China Energy Data, Background,” http://www.eia.doe.gov/emeu/cabs/China/Background.html
100 Luft, “Fueling the Dragon: China’s Race into the Oil Market,” http://www.iags.org/china.htm
103 Luft, “Fueling the Dragon: China’s Race into the Oil Market,” http://www.iags.org/china.htm
Iran holds the world’s second highest amount of natural gas reserves\textsuperscript{105} and the world’s third largest oil reserves,\textsuperscript{106} but its resources have been largely untapped due to US sanctions and discouragement of foreign investment. With many western countries reluctant to engage in business with Iran, China is the first foreign power to have invested to such an extent in Iran’s oil industry since the Islamic revolution in 1979. Chinese oil companies have heavily engaged Iran in recent years. In 2007, Sinopec signed a “$2 billion agreement on developing the Yadavaran oil field.”\textsuperscript{107} The Chinese National Petroleum Company (CNPC) engaged in business with Iran in June of 2009, signing “a $5 billion deal to develop the South Pars natural gas field,”\textsuperscript{108} which came on the heels of the signature of a “$1.76 billion agreement”\textsuperscript{109} to develop the North Azadegan oil field in January. Then, in September of 2009, it signed a “memorandum of understanding for the development of the south Azadegan Oil Field.”\textsuperscript{110} Finally, in 2009 the Chinese National Offshore Oil Corp. signed an “agreement […] to develop Iran’s North Pars gas project, committing itself to initial drilling.”\textsuperscript{111}

Chinese oil and gas companies are, however, entering cautiously into the Persian oil industry. Although China and Iran have signed numerous deals and memorandums of understanding, their firmness is questionable. Sinopec, regarding its $2 billion dollar deal to develop the Yadavaran oilfield in 2007, “appeared to be seeking to keep the agreement low key,”\textsuperscript{112} and failed to even officially announce the signature of the lucrative deal. Likewise, when asked to comment on the reported signature of the memorandum of understanding to

\textsuperscript{106} “Iran Energy Data: Background,” \textit{Energy Information Administration}, http://www.eia.doe.gov/emeu/cabs/Iran/Background.html
\textsuperscript{107} “Sinopec to Develop Oil Field in Iran,” \textit{The New York Times}, 10 December 2007
\textsuperscript{109} Xiao Wan, “CNPC to Develop Azadegan Oil Field,” \textit{China Daily}, 16 January 2009
\textsuperscript{110} “Iran’s Azadegan Oilfield Output at 40,000 bpd—Report,” \textit{Reuters UK}, 3 February 2010
\textsuperscript{111} David Winning, “Cnooc Inks New Iran Gas Deal,” \textit{Dow Jones Newswire}, 28 May 2009
\textsuperscript{112} Elaine Kurtenbach, “China’s Sinopec, Iran ink Yadavaran deal,” \textit{Associated Press}, 10 December 2007
develop the South Azadegan oil field in August of 2009, the CNPC “declined to comment.”\textsuperscript{113} Moreover, a memorandum of understanding is merely a “document signed by two organizations to say that they are willing to work together,”\textsuperscript{114} and is traditionally not legally binding, which indicates the CNPC is hesitant to sign a firmer contract. Chinese oil companies tend to sign “agreements for projects in which they have no intention of making substantial investments”\textsuperscript{115} until potential risks to the investments, such as UN sanctions, are reduced. This is evidenced by the fact that the 2007 Sinopec deal in Yadavaran was only finalized after a 2007 UN report showed Iran had stopped work on its nuclear weapons program, which significantly reduced “the risks for Sinopec.”\textsuperscript{116} Aware of the possibility of financial losses, Chinese petroleum companies seem to only firmly commit to these agreements once they are confident they will not sustain financial losses. China is thus hedging its bets when dealing with Iran’s energy sector, wary of the potential damage it could sustain as a result of its involvement with a country so scrutinized by the international community.

Nonetheless, this recent burst in activity demonstrates the extent to which Chinese oil companies are eager to exploit Iranian oil. Although the agreements may fall through, that they were reached in the first place exhibits the alignment of interests the Chinese and Iranians currently share. Should they be carried out, the plans to extract Iranian oil would be mutually beneficial to both countries, as China will have found a source for its energy needs, and Iran will receive much needed direct foreign investment in its core industry. Iran, although in possession of plentiful amounts of natural resources, still uses outdated methods in extracting the oil and

\textsuperscript{113} Xiao Wan, “CNPC signs pact to develop South Azadegan oilfield,” \textit{China Daily}, 1 August 2009
\textsuperscript{116} Kurtenbach, “China’s Sinopec, Iran ink Yadavaran deal,” \textit{Associated Press}, 10 December 2007
natural gas, due to a “combination of war, limited investment, sanctions, and a high rate of natural decline in Iran’s mature oil fields.” In fact, Iran’s exports could “decrease to zero” by 2015 if its extracting capabilities are not upgraded. Iran, then, could benefit just as much, if not more than China, as a product of these agreements.

Ironically, Iran is a net fuel importer, importing “40 percent of its gasoline to meet domestic demand because of a lack of refining capacity,” which adds even more value to the Chinese aid in oil refineries. One of the key vulnerabilities Iran faces with regard to UN sanctions is efforts to cut off its gasoline supply, which could prove to cripple even further the already floundering Persian economy. China could thus be a key ally for Iran insofar as it can contribute to Iran becoming energetically autarkic, which could prove to be key in maintaining the ineffectiveness of UN sanctions against its nuclear program. UN sanctions against Iranian imports of gasoline have, up until now, not been imposed, but the US has passed legislation allowing Pres. Obama to “levy sanctions on energy companies that directly provide gasoline to Iran.” Should Iran become immune to the threat of a gasoline imports cut-off, it would disarm a major weapon in the cache of the international community, and help to ensure its ability to pursue its nuclear program in defiance of foreign opposition.

Recently, Iran has begun to court Chinese oil companies in search of investments in its oil refining industry. In the past, China has invested in Iranian refining capabilities. Between 2000 and 2003, Sinopec, sponsored the upgrading of Tehran and Tabriz refineries, a deal worth

an estimated $150 million.121 As part of this sponsoring, Sinopec paid for two refining unit revamps122 at Iranian refineries located in Tehran and Tabriz. More recently, in late 2009, Iranian media reported Sinopec also signed a memorandum of understanding under which China would “provide financing of $6.5 billion for oil refinery projects in Iran.”123 Earlier in 2009, meanwhile, Iran began “calling on China to get involved in several oil projects worth more than $42.8 billion in a bid to boost [its] crude oil refining capacity and expand bilateral economic relations,”124 and according to the Iranian Oil ministry, an unsigned agreement under which the Chinese would “invest about $40 billion in refining Iranian gasoline”125 was reached.

Nonetheless, it is unclear whether any concrete results have, or ever will develop as a product of these reported agreements between China and Iran. Firstly, the $40 billion agreement announced by the Iranian Oil Ministry in July 2009 was never actually confirmed by the Chinese government,126 while Sinopec’s signing of the $6.5 billion MOU received no mention in the Chinese press. More importantly, however, is the fact that that the signatures of these agreements have been reported exclusively in the Iranian media. Iran would logically like to exaggerate the firmness of the agreements it has reportedly reached with the Chinese in order to create the illusion that it is prospering despite the international community’s efforts to stifle it; any deals reported exclusively from within Iran thus must be considered with this bias in mind.

Notwithstanding, it is unlikely the agreements detailed by the Iranian press agencies are complete fabrications, and it is probable that negotiations regarding such deals have taken place. The lack of a Chinese mention of or response to such news is, once again, most likely due to the

121 Fereidun Fesharaki, “Energy and Security Issues: Perspectives on Iran, India, and China,” Center for International and Strategic Studies, 58
caution China is exhibiting with regards to their investments in the Iranian oil industry. It appears that just as Chinese oil companies are acting cautiously in extracting Iranian oil, they are also acting cautiously in aiding Iran to refine it. China, through updating Iran’s refining technology, could “literally keep Iran's factories, homes and cars — in effect, a nation of 66 million people — running”\textsuperscript{127} should sanctions against fuel imports ever be imposed. Aware of these far reaching consequences which could result from its investment in the Iranian oil refining industry, China is exerting caution in its investments, ensuring it does not become entangled in plans it may later regret.

The motives for Chinese involvement in the Iranian oil industry are not clear. At present, the oil and gas produced through these deals will be “sold on the open market”\textsuperscript{128} and will thus enhance the “global supply”\textsuperscript{129} by adding previously untapped oil to the world market. For now, China has no plans to exclusively consume the oil itself is producing, but this may be because they do not need it yet. The US and other western countries nonetheless fear that China is ‘locking up’ oil resources in Iran, and will eventually become the exclusive consumer of such oil. Chinese oil consumption is forecasted to match that of the US by 2030\textsuperscript{130} and it is unlikely that China would continue to sell Iranian oil internationally should it encounter shortages in its own supply; Chinese media itself recognizes that “With footholds in Iran, China can diversify its oil supplies to enhance energy security.”\textsuperscript{131} In preparation for a future energy crisis, China may be staking its claim to Iranian oil.

Of course, Chinese oil companies could simply be exploiting Iran’s untapped oil resources in search of large profits. After all, oil companies make money by extracting, then

\textsuperscript{128}“China’s Thirst for Oil,” \textit{International Crisis Group}, http://www.crisisgroup.org/home/index.cfm?id=5478
\textsuperscript{129}“China’s Thirst for Oil,” \textit{International Crisis Group}, http://www.crisisgroup.org/home/index.cfm?id=5478
\textsuperscript{130}Luft, “Fueling the Dragon: China’s Race into the Oil Market,” http://www.iags.org/china.htm
\textsuperscript{131}Xiao Wan, “CNPC Signs Pact to Develop South Azadegan Oil Field,” \textit{China Daily}, 1 August 2009
refining and ultimately selling oil on the world market. Chinese companies may be taking advantage of the fact that western countries are hesitant to deal with Iran, and for the simple motive of making a profit, have become so deeply involved in tapping Iranian oil. Nonetheless, this ambiguity of motives gives further credence to the fact that the Chinese government is still acting cautiously, and determining the best course of action to follow with regard to developing Iranian oil fields. Hesitant to commit too much too soon, Chinese oil companies, at this point, are “eager to get their foot in Iran's door,”\(^{132}\) while still wary of stepping on the international community’s toes.

**Fueling the Economy: Iran as a Market**

Apart from oil deals, other economic activity between China and Iran has intensified in recent years. In May of 2009, Tehran hosted a conference on Chinese-Iranian economic ties, in which Iranian Foreign Minister Manouchehr Mottaki requested that China begin “facilitating further trade relations, removing present obstacles on the way of Iran-China trade ties as well as removing customs tariffs.”\(^{133}\) At the meeting, attended by over “700 Iranian and Chinese businessmen from both private and public sectors,”\(^{134}\) he pointed out Iran’s “satisfactory amount of capital available for the Iranian and Chinese businessmen, modern technologies and skillful labor force,”\(^{135}\) which combine to create many opportunities for development. Mottaki appealed to China’s wallet, knowing that sustaining economic growth is one of China’s main political goals. Indeed, China could profit greatly from greater investment in and trade with Iran, and seems to recognize this fact, demonstrated by the record levels of trade reached between the two

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countries in 2008 and 2009. Total trade between Iran and China in 2009, including business
channeled through the UAE totaled $36.5 billion, which could be “more than with the entire EU
bloc,” and would make China Iran’s top trading partner. Trade between Tehran and Beijing is
increasing to record levels year after year, and shows no sign of slowing. The Iranian economy,
largely isolated from the west, has proven to be a potent export market for China, aiding the
Chinese economy to continue growing despite the global recession.

A Means to Power: Political Gains

Another potential benefit China may enjoy as a result of Iranian cooperation is reduced
US influence in the Middle East. With no end of the US occupation of Iraq and Afghanistan in
sight, the dominance of the US in the Middle East seems likely to continue for many years to
come. China, meanwhile is “far from comfortable” with this US dominance, and perhaps
views that through a stronger Iran, this US regional hegemony could be challenged to an extent.
Since China perceives Iran as a regional “putative power,” with the potential to become a
heavyweight in the region, it perhaps would like to see Iran grow enough to potentially challenge
this US dominance, and begin the process of pushing the US out of the Middle East. China
worries that the US is trying to “take advantage of its hegemonic standing to consolidate control
over hydrocarbon resources,” and thus not only can China combat this through its recent
energy cooperation in the Islamic Republic, but also through political means. If Middle Eastern

136 Najmeh Bozorgmehr and Geoff Dyer, “China Overtakes EU as Iran’s Top Trade Partner,” FT.com,
http://www.ft.com/cms/s/0/f220dfac-14d4-11df-8f1d-00144feab49a,dwp_uuid=f6e7043e-6d68-11da-a4df-
0000779e2340.html
137 John Garver, Flynt Leverett, and Hillary Mann Leverett, “Moving (Slightly) Closer to Iran: China’s Shifting
Calculus for Managing Its ‘Persian Gulf Dilemma,’” Asia Pacific Policy Paper Series, 6
138 Garver, Leverett and Leverett, “Moving (Slightly) Closer to Iran: China’s Shifting Calculus for Managing Its
‘Persian Gulf Dilemma,’” Asia Pacific Policy Paper Series, 17
139 Garver, Leverett and Leverett, “Moving (Slightly) Closer to Iran: China’s Shifting Calculus for Managing Its
‘Persian Gulf Dilemma,’” Asia Pacific Policy Paper Series, 16
states have to worry about not only the US, but another regional power—Iran—they may have to think twice about who they obey. Moreover, if Iran were to become a regional leader, China would certainly prefer to “enjoy a relationship”\textsuperscript{140} and the fruits of such a bond with Iran and the rest of the region. If China were responsible for helping Iran attain its newfound status as a regional leader, it would likely enjoy a position of favor with Iran. Having a political ally in this newly strengthened Iran, China would have much more influence in the Middle East, and would thus have greater access to and control over its energy resources—much like the US enjoys today.

 Furthermore, a stronger Iran would necessitate more US care in dealing with the Middle East. The US would need to dedicate more resources and more time pursuing its goals in the region if Iran were to go nuclear. Through strengthening Iran, China may be creating a “strategic diversion” to keep U.S. interests focused on the Middle East rather than on the problems in China’s own backyard.”\textsuperscript{141} In order to avoid spreading itself too thin, the US will eventually have to prioritize its foreign policy, and China hopes that this reprioritization will result in diminished US involvement in the East Asia region. Perhaps through strengthening Iran, or at least preventing it from being weakened, China is looking to distract the US from the East Asia region in order to achieve its own agenda.

**Western Reaction**

Western countries, and the US in particular, have taken a defensive stance regarding cooperation between China and Iran. In May of 2009, Secretary of State Hillary Clinton warned

\textsuperscript{140} Garver, Leverett and Leverett, “Moving (Slightly) Closer to Iran: China’s Shifting Calculus for Managing Its ‘Persian Gulf Dilemma,’” *Asia Pacific Policy Paper Series*, 17

that China and Iran had made “quite disturbing gains in Latin America”\textsuperscript{142} and warned of their consequences. Many were perplexed that “Clinton would group the countries together,”\textsuperscript{143} but it could be an indication of the US beginning to notice the mutual interests the two countries share, and the genesis of plans to derail the plans Iran and China may have to capitalize on such interests.

China and Iran, meanwhile, have resisted western disapproval of the deepening of their ties. While reporting news of recent oil deals, the Chinese media made it clear that cooperation between itself and Iran was increasing, and that it would continue to do so regardless of US complaints. State run press agencies stressed the fact that once an oil field development deal in 2008 was signed, “cooperation between China and the Mideast energy source power Iran will take a further step forward.”\textsuperscript{144} Moreover, they noted that “as happens with other countries hoping to develop the Iranian energy source market, this normal commercial activity of China has encountered US interference.”\textsuperscript{145} Chinese Foreign Minister Liu Jianchao denounced the US for interfering and voicing its opposition, claiming that “United States should not influence or damage the countries concerned in carrying out normal economic and energy source cooperation with Iran.”\textsuperscript{146} Iranian media echoed these sentiments, stating that the US led sanctions imposed in March of 2008 would have “no influence on gas deals between Iran and China.”\textsuperscript{147}

Moreover, in October of 2009, not long after Iran came under western fire for its illicit nuclear activities, Chinese Premier Wen Jiabao announced that China would “maintain high-

\begin{itemize}
\item Paul Richter, “Clinton Sees China, Iran Inroads in Latin America,” \textit{The Los Angeles Times}, 2 May 2009
\item Richter, “Clinton Sees China, Iran Inroads in Latin America,” \textit{The Los Angeles Times}, 2 May 2009
\item “Anti-Iran Resolutions Not Affecting Iran-China Gas Deals,” \textit{IRNA}, 11 March 2008
\end{itemize}
level exchanges with Iran, enhance mutual understanding and trust, promote bilateral pragmatic cooperation and coordinate closely in international affairs.”148 In direct defiance of the West, China appears to be beginning to out rightly cooperate more and more with Iran, demonstrating a newfound confidence in the Chinese government, and less of a willingness to be intimidated by the West.

**Conclusion**

As time goes by, China will be presented with more and more opportunities to cooperate with Iran, and undoubtedly more and more resistance attempting to stop this from happening. Only time will tell how deep Chinese and Iranian cooperation will go, but nascent Chinese confidence on pursuing its own foreign policy goals in defiance of US demands indicates cooperation could intensify to much higher levels. Iran is eager to have a powerful country step up and invest in its oil resources, while China is more than happy to cooperate with a potential energy ally. Both appear steadfast in continuing to work together despite US opposition.

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148 “China to Maintain High Level Exchanges with Iran: Premier,” *Xinhua*, 15 October 2009
Chapter III: Chinese Actions in the Shadow of the Iranian Nuclear Program

It is within the context of China’s numerous interests abroad which Chinese-Iranian cooperation takes place. Although China can clearly reap numerous benefits through developing ties with Iran, the Iranian nuclear program complicates the extent to which China can deepen its relationship with Iran. Nonetheless, China has developed a strategy to deal with this political dilemma, and through analyzing its behavior in the UN Security Council, the course of action China is following becomes clear.

China’s Previous Choice

China was one of the original contributors to the Iranian nuclear program. In the 1980’s and 1990’s it helped in “training Iranian nuclear technicians in China under a secret nuclear cooperation agreement, assisted in the construction of Iran's primary research facility, located at Isfahan, and also agreed to supply Iran with subcritical or zero yield nuclear reactors.”

Further, from 1985-1997, China was Iran’s “main nuclear partner,” and even defended itself on numerous occasions, citing that the Iranian program was peaceful and transparent. During this period Russia also significantly aided Iran’s nuclear program. The Iranian government was active in “recruiting and paying Russian scientists to provide them with assistance in their nuclear program.” Russians are believed to have been “paid hard currency [in return for] for aid in weapons and technical programs,” including those with nuclear components. Further,
Russia helped Iran build and supply fuel for a nuclear reactor,\textsuperscript{154} and established partnerships with Iranian scientists “in the field of nuclear and ballistic weapons.”\textsuperscript{155} Combined, China and Russia have aided immensely the development of the Iranian nuclear program.

International pressure continued to mount, however, throughout the 1990’s, and eventually China had no choice but to give in to international, or more accurately, US, demands to halt nuclear aid to Iran. Although all cooperation between China and Iran during this time was “within the letter of the NPT regime,”\textsuperscript{156} Iran was running a covert nuclear operation, and evidence began to accumulate indicating that it was weapons-focused. China, fearing that its international reputation could take a serious hit should it be found responsible for allowing Iran to go nuclear, in 1997 began to “disengage”\textsuperscript{157} its aid to Iran’s nuclear program.

This decision to limit support to the Iranian nuclear program was the product of several factors. Firstly, it was part of a fundamental “shift in Chinese thinking about the global nonproliferation regime.”\textsuperscript{158} China now aimed to limit the number of nuclear states in the world, instead of attempting to increase them. More importantly, however, was China’s need to protect its relationship with the US. In 1996-7 the US and China engaged in what was deemed a “global security dialogue,” and as a result of these negotiations Chinese support for the Iranian nuclear program nearly vanished completely. The US used “a variety of disincentives to coerce China to limit and eventually end all nuclear trade with Iran.”\textsuperscript{159} Members of Congress “repeatedly raised the possibility of revoking China’s most-favored-nation status,”\textsuperscript{160} and the US even implemented

\textsuperscript{154} Robert O. Freedman, \textit{Russia, Iran, and the Nuclear Question: The Putin Record}, (Strategic Studies Institute: October 2006), 11
\textsuperscript{155} Therese Delpech, \textit{Iran and the Bomb}, (New York: Columbia University Press, 2007), 39
\textsuperscript{156} Garver, \textit{China and Iran: Ancient Partners in a Post-Imperialist World}, 160
\textsuperscript{157} Garver, \textit{China and Iran: Ancient Partners in a Post-Imperialist World}, 161
\textsuperscript{158} Garver, \textit{China and Iran: Ancient Partners in a Post-Imperialist World}, 162
\textsuperscript{159} Evan Medeiros, \textit{Reluctant Restraint}, (Stanford: Stanford University Press, 2007), 59
\textsuperscript{160} Medeiros, \textit{Reluctant Restraint}, 59
sanctions on two Chinese companies who helped “Iran make chemical weapons.” Eventually, China gave in to US demands. In a letter from foreign minister Qian Qichen to then US Secretary of State Madeline Albright, Qian promised to “forgo any and all future cooperation with Iran,” and cancelled many deals already in progress with Iran. At this point, “maintaining comity in Sino-American relations outweighed its interests in Tehran,” and China was forced to pick one side over the other. China needed to “find a balance between competing foreign policy priorities,” and during the 1990’s ensuring positive relations with the US simply outweighed its interests in Iran.

Satisfying Everyone: China’s Behavior in the Security Council

An examination of recent Chinese behavior in the Security Council suggests that it has been attempting to play both sides of the field, appeasing US demands while simultaneously aiding Tehran. Since 2006, China has supported UN sanctions against Iran numerous times. After the US made it clear that it was “time for China to agree with Britain, France, Germany and the US on a sanctions resolution,” it voted for sanctions on Iran in 2006, which imposed a “travel ban and asset freeze on Iranian officials and institutions connected with the country's nuclear and ballistic missile programs.” Interestingly, Chinese ambassador Wang Guangya attempted to spin this potentially damaging move to China’s relations with Iran by highlighting the fact that in addition to the punitive measures, there were “also explicit provisions indicating that if Iran suspends its enrichment related and reprocessing activities, and complies with the

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161 Garver, China and Iran: Ancient Partners in a Post-Imperialist World, 224
162 Garver, China and Iran: Ancient Partners in a Post-Imperialist World, 225
163 Garver, China and Iran: Ancient Partners in a Post-Imperialist World, 226
164 Garver, China and Iran: Ancient Partners in a Post-Imperialist World, 226
165 Medeiros, Reluctant Restraint, 59
166 “Russia, China must agree on Iran sanctions: Burns,” Indo-Asian News Service, 5 December 2006
167 “Russia, China back draft on Iran sanctions,” The St. Petersburg Times, 12 December 2006
relevant resolutions of the Security Council and meets the requirement of the IAEA, the Security Council shall suspend and even terminate the sanction measures.” 168 Indeed, China seemed reluctant to back western efforts.

In the months leading up to the implementation of the first round of sanctions in 2006, Chinese media reported that “The United States and other western countries are calling for a draft UN resolution that would impose sanctions on Iran,” 169 and was vocal in urging other countries to “refrain from taking any action that may lead to the escalation” 170 of tensions between Iran and the rest of the world. The Chinese focused on the fact that the West was leading the charge for sanctions, thus distancing themselves from the process. Immediately following the first round of sanctions’ approval, Chinese foreign ministry spokesman Liu Jianchao made clear to the Iranian press that the Chinese government believes that sanctions “cannot be a permanent solution to the problem” 171 and downplayed Chinese support for sanctions by emphasizing China’s willingness to explore “political and diplomatic efforts to peacefully solve the Iran nuclear question by talks.” 172 China not only attempted to cooperate with Iran before sanctions were imposed, but it also engaged in political damage control following their implementation.

In late 2007, when Iran refused to suspend its uranium enrichment programs, the US called for another round of sanctions. China, however, was reticent. UN envoy Wang Guangya stated that regarding additional sanctions, the UN “must be careful.” 173 Furthermore, China

168 "Xinhua Roundup: International Community’s Response to UN Resolution on Iran,” Xinhua, 24 December 2006
169 "PRC FM Spokesman Calls for Restraint on Escalating Iran Nuclear Standoff,” Xinhua, 31 October 2006
170 “PRC FM Spokesman Calls for Restraint on Escalating Iran Nuclear Standoff,” Xinhua, 31 October 2006
“dealt a blow to efforts to raise pressure on Iran over its nuclear program”\(^{174}\) when it refused to attend a meeting of the Security Council powers in late 2007. The US accused China of “dragging its feet,”\(^{175}\) while China explained it cancelled due to “technical reasons.”\(^{176}\) But the Iranian government took notice, reporting that China “always opposed the US extremist policy on Iran's nuclear activities”\(^{177}\) and emphasized that “Chinese leaders think negotiation is the best way to resolve disputes over Iranian nuclear program.”\(^{178}\) Nevertheless, the next month, Chinese banks began to “refuse loans to Iranian businessmen, amid US pressure to cut business with Iran.”\(^{179}\) Then, after further pressure from US Deputy Secretary of State John Negroponte in early 2008,\(^{180}\) China voted for additional sanctions to be imposed in March of 2008.\(^{181}\)

**The Russian Factor**

Russia is another key player in the Iranian nuclear saga. In the past, Russia has supported the Iranian nuclear program in a similar capacity to the Chinese, transferring “to Iran technology related to nuclear weapons and ballistic missiles.”\(^{182}\) Also, in 1995 Russia signed a deal with Iran to build and supervise a 1000 megawatt nuclear power plant in the southern Iranian city of Bushehr.\(^{183}\) Although the plant has yet to be opened nearly 15 years after the signature of the agreement, Russia’s Foreign Minister Sergey Lavrov recently announced plans to launch the

\(^{174}\) “U.S. asks China to cooperate on Iran sanctions,” *Reuters*, 26 November 2007


\(^{176}\) “U.S. asks China to cooperate on Iran sanctions,” *Reuters*, 26 November 2007

\(^{177}\) “China Dismisses Sanctions Against Iran,” *IRNA*, 27 October 2007

\(^{178}\) “China Dismisses Sanctions Against Iran,” *IRNA*, 27 October 2007

\(^{179}\) “China caves in to pressure on Iran sanctions,” *The Daily Star*, Beirut, Lebanon, 4 December 2007

\(^{180}\) “US presses China on Iran sanctions,” *Al Jazeera English*, 16 January 2008


\(^{182}\) Fred Wehling, “Russian Missile and Nuclear Exports to Iran,” *The Nonproliferation Review*, Winter 1999, 134

\(^{183}\) Vladimir Soldatkin, “Exclusive: Russia to start Iran nuclear plant in 2010,” *Reuters*, 30 November 2009
“power plant in Iran this summer.” Simultaneously, Russia has directly engaged Iran attempting to derail Tehran’s interests in uranium enrichment, playing a key role in the IAEA agreement proposed in November 2009 by volunteering to enrich uranium on Iran’s behalf, and has previously supported sanctions on Iran.

Russia’s behavior with regard to Iran has also had an influence on Chinese handling of the situation. In the past, China has followed “Russia’s lead in Security Council deliberations,” and at times the powers have worked as a team. For example, in September of 2009, Russian President Dmitri Medvedev was quoted as stating that “sanctions are inevitable,” while China made similar allusions to its inability to keep Iran from being punished by other powers, stating that if the solution to the Iranian nuclear problem is through nonpolitical, or military means, China would be unable to “stop such [a] military attack.”

Russia and China seem to have been playing good cop-bad cop with Iran; reminding Iran of the potential threat of sanctions and military strikes that comes from the West, while not actually making it. It has been convenient for China that Russia has also put the brakes on sanctions in the past, as this has helped to disguise Chinese support for Iran. Having Russia on its side on the Iran issue has given China much stronger leverage, while simultaneously diminishing the risk it takes by being outspoken against western powers.

A divergence in action between Russia and China has nonetheless appeared recently. Although Foreign Minister Lavrov declared in October 2009 that regarding Iran, “at the current stage, all forces should be thrown at supporting the negotiating process,” and later added that

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“Threats, sanctions and threats of pressure in the current situation (…) would be counterproductive,” after Tehran failed to accept the proposed IAEA agreement to enrich uranium abroad in November of 2009, Russia openly accepted the possibility of imposing stricter sanctions on Iran. Furthermore, according to US ambassador to Russia John Beyrle, the position of Washington and Moscow regarding Iran’s nuclear ambitions “have never been so near” and the two powers agree that neither need “a nuclear arms race” in the region. Russia has become more sympathetic to US initiatives against Iran’s nuclear program following “President Obama's decision to abandon a Bush-era plan for a missile defense system in Europe” which helped “ease a simmering rift” between the two powers. This recent alignment of US and Russian foreign policy is exemplified further by the announcement of a “U.S.-Russian treaty to reduce long-range nuclear weapons.”

Russia’s interests in Iran are not identical to China’s, and thus diverging patterns of behavior are expected. Whereas the plentiful oil reserves of Iran are a great incentive for China to cooperate with and protect it, Russia is the world’s “second largest oil exporter.” Immune to the lure of Persian petroleum, Russia has far fewer reasons to side with Iran when faced with near unanimous western pressure to comply. While China could potentially reap the numerous benefits outlined in the previous chapter through Iranian cooperation, Russia could not, and it is thus predictable that it would protect Iran to a lesser extent than China.

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190 James Bone, “Beijing Blocks Talks on Tackling Iran Nuclear Threat,” The Times Online, http://www.timesonline.co.uk/tol/news/world/middle_east/article6991753.ece
191 “US, Russia Never So Close On Nuclear Issue: Diplomat,” Xinhua, 21 January 2010
192 “US, Russia Never So Close On Nuclear Issue: Diplomat,” Xinhua, 21 January 2010
195 “US-Russian Nuclear Deal to be Signed in Prague,” Associated Press, 24 March 2010
Towards the Future: China Emboldened by the Financial Crisis

After the economic crisis of 2008, Chinese relations with the US have witnessed a radical shift in tone, and Chinese relations with Iran could deepen as a result. In the past China has appeased—albeit with considerable resistance—the US’s wishes with regard to sanctioning Iran in the UN Security Council, and has never out rightly challenged the US on Iran. Nevertheless, as a result of the recent changes in dynamics between the two superpowers, changes in Chinese behavior have appeared.

With the US’s strong presence in Asia, the East-Asia region is currently a bipolar system, with China and the US as the two great powers. The US maintains its status as a pole in the region with its dominant naval force in the Pacific, making China vulnerable to US naval blockades of its major ports. Nonetheless, in recent years China has begun to develop its navy, including “submarines, destroyers and frigates,” as well as aircraft carriers. There are numerous goals China could be attempting to accomplish with naval modernization, but it appears China mainly wishes to protect its “sea lines of communication to the Persian Gulf,” and ultimately “assert its status as a major world power […] and displace U.S. regional military influence.” China is undoubtedly attempting to hedge against US global dominance. Building up its navy, however, is just one manner in which China is attempting to accomplish this.

Following the economic crisis of late 2008, the United States suffered greatly, while China, relatively speaking, emerged unscathed. China was “not immune to the effects of the global financial crisis,” and did suffer a slow in industrial growth rates and loss of stock value,

but the extent to which this damage was done was far less than to the US. In 2009, China’s GDP rose by 8.7% compared to 2008, which was well above the growth rate of the US, which saw a drop of 2.4% in its GDP in the same period. This indicates that China, unlike most of the developed world, is “managing to push through the global recession with little damage.” As a result of the financial crisis, China has a newfound source of leverage over the US. The US’s floundering economy is tied to that of China, and immediately following the crisis in September of 2008, President Bush reportedly called China with a plea to “hold even more US Treasury bonds and US assets.” Additionally, China holds a large number of US securities, a number equal to “$1,000 per person in China, a significant figure” since Chinese per capita GDP is less than $3,400. This substantial stake in the future of the US economy has caused provided China with “leverage against US policies it opposes.” Additionally, the financial crisis has afforded China a large confidence boost. China has been a rising power for many years, and after its essential role in helping the global economy to recover from the financial meltdown, its status as a global player has been crystallized. Aware of its own importance in global affairs, the Chinese government has developed a higher level of confidence, which has also contributed to its more assertive foreign policy.

Resulting from its newfound leverage and confidence, China has become less compromising on a number of issues, such as Tibet. On February 18, 2010 President Obama met with the Dalai Lama, despite China’s warnings that its “ties with the US would be

201 “US GDP in Fourth Quarter Surged to 5.7% Annual Rate,” http://www.finfacts.com/irishfinancenews/article_1018934.shtml
203 Morrison, “China and the Global Financial Crisis: Implications for the United States,” 8
204 Morrison, “China and the Global Financial Crisis: Implications for the United States,” 8
205 Zhang Jiawei, “China's per capita GDP likely to reach medium-income countries level in '10,” China Daily, 21 January 2010
undermined” should a meeting between the two take place. China, meanwhile, declared that the meeting represented an “interference in China’s internal affairs,” and directly violated China’s “sovereignty and territorial integrity.” In the past, it has been traditional for US presidents to meet with the Dalai Lama, and although China has voiced its disapproval over such meetings, it has never before voiced such strong opposition to them. Now better able to assert its interests, China is speaking out and taking action against the US on a number of issues it was previously incapable of affecting.

Chinese policy towards Taiwan has also changed since the onset of the financial crisis. Before the crisis in April of 2008, after speaking with US Defense Secretary Robert Gates, Chinese Defense Minister Liang Guanglie expressed his “hope that the US side will strictly abide by the one-China principle, stick to the three China-US joint communiques, [and] stop arms sales to Taiwan.” Nevertheless, in late January 2010 President Obama “approved an arms sales package to Taiwan worth more than $6 billion,” which elicited a much stronger than usual reaction from Beijing. Chinese Foreign Ministry Spokesman Ma Zhaoxu announced that such sales “will undoubtedly harm Sino-US relations and create serious negative impact on Sino-US relations, and on many areas of exchanges and cooperation between the two countries” since the continuation of sales “seriously endangers China's state security.” The spokesman at the Chinese embassy in Washington, Wang Baoding, further elaborated that the sale would “harm China-U.S. relations and bring about a serious and active impact on bilateral communication and

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208 Li Huizi, “Obama – Dalai Lama Meeting Interferes in China’s Internal Affairs,” Xinhua, 19 February 2010
209 “Chinese Ambassador Urges U.S. to Respect China’s Core Interests,” Xinhua, 28 February 2010
211 Helene Cooper, “U.S. Approval of Taiwan Arms Sales Angers China,” The New York Times, 29 January 2010
212 “Foreign Ministry Spokesman: US Side's Military Sale to Taiwan is Bound to Cause Serious Negative Impact on Exchanges in Many Areas Between China and the United States,” Xinhua, 2 February 2010
213 “Foreign Ministry Spokesman: US Side's Military Sale to Taiwan is Bound to Cause Serious Negative Impact on Exchanges in Many Areas Between China and the United States,” Xinhua, 2 February 2010
cooperation.”214 This “swift, and negative”215 Chinese response is another example of China’s more confident and aggressive behavior. In April of 2008 China merely expressed “hope”216 that the US would cease arms sales to Taiwan, but now suddenly deems the issue one of national security, and predicts serious damage to the Sino-US relationship as a result of the US’s actions. China’s current stance on the issue is much more assertive and firm than in 2008. This abrupt change in priorities is a product of the shift in dynamics which has occurred between the US and China over the past two years, and demonstrates again that China is asserting its demands more aggressively, and giving in to US demands less frequently.

In November 2009, after President Obama made a much publicized visit to China, the role China plays in US policy became clear. The visit was similar to a “profligate spender coming to pay his respects to his banker”217 in that Pres. Obama spent less time “exhorting Beijing and more time reassuring it.”218 During the visit, Pres. Obama failed to garner Chinese support for a number of issues of importance to US foreign policy, including the Iranian nuclear issue. China has also exhibited a hesitance in bending to US pressure on economic issues, refusing to “bow to US pressure to revalue its currency”219 in early 2010, an issue on which it has capitulated in the past.220 Even with regard to climate change, China has defied the US numerous times, resisting “American initiatives on climate change policy.”221 In December of 2009, China faced heavy international criticism when, at an international summit to discuss climate change in Copenhagen, it was accused of blocking “the approval of a stronger

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214 Cooper, “U.S. Approval of Taiwan Arms Sales Angers China,” The New York Times, 29 January 2010
215 Cooper, “U.S. Approval of Taiwan Arms Sales Angers China,” The New York Times, 29 January 2010
agreement”\textsuperscript{222} to reduce carbon emissions. The US now faces “a fast-rising China more willing to say no”\textsuperscript{223} to its demands, and must play fair with China if it expects to get what it wants.

Unwilling to have its arm twisted, China is more willing to create friction with the US in order to achieve its goals. With regard to Iran, this could mean cooperation deeper than ever before. Iran has become another bargaining chip for China, over the US, it seems. Although days before Pres. Obama’s arrival to the summit with Beijing in November of 2009, Russian President Dmitri Medvedev conceded to considering tougher sanctions on Iran, Chinese President Hu Jiantao did not, marking the importance of dealing with “the Iranian nuclear regime through dialogue and negotiations.”\textsuperscript{224} This is of note, since with Russia considering sanctions, China became the only roadblock to their imposition. Using it as even more leverage over the US, cooperation on the Iranian issue is something the US is going to have to earn from China. In fact, after Pres. Obama approved the sale of US arms in 2010 to Taiwan, Foreign Ministry Spokesman Ma Zhaoxu made a not-so-veiled reference to the impact such a development would have on the Iranian nuclear issue when he specifically iterated that “cooperation between China and the United States on relevant major international and regional issues will unavoidably be impacted.”\textsuperscript{225} With China “in no mood to cooperate,”\textsuperscript{226} it appears the US can no longer simply make demands of the Chinese and expect action. Beijing has its own agenda, and the US is suddenly far less able to dictate what that agenda entails.

\textsuperscript{222} Geoff Dyer, “Beijing Rejects UK Copenhagen Criticism,” \textit{Financial Times}, 22 December 2009
\textsuperscript{225} “Foreign Ministry Spokesman: US Side's Military Sale to Taiwan is Bound to Cause Serious Negative Impact on Exchanges in Many Areas Between China and the United States,” \textit{Xinhua}, 2 February 2010
\textsuperscript{226} David E. Sanger, “Obama Takes Several Gambles in Bid to Defuse Nuclear Standoff with Iran,” 10 Feb 2010
The Present Day Situation

Now more confident and able to push back against US demands on Iran, China has managed to help prevent the sanctions imposed on Iran from being effective, and to an extent has begun to even undermine them. At each stage in the sanctions negotiation process, China has managed to water down the scope of the sanctions, and contribute to their impotency. Before the imposition of the last round of sanctions in 2008, China was noted for stalling the process, and then ultimately agreed only to a “watered down set of sanctions.”\textsuperscript{227} Then, in late 2009, after a new US push for sanctions began, China took an outspoken stance against sanctions. Representatives for Beijing asserted that “China always believes that sanctions and pressure should not be an option and will not be conducive to the current diplomatic efforts over the Iran nuclear issue,”\textsuperscript{228} indicating a contradiction, as China has supported sanctions numerous times in the past. Beijing went even further, however, and claimed that it was in all parties’ involved best interests to solve the dilemma through “peaceful negotiation,”\textsuperscript{229} reiterating its opposition to sanctions.

Not only was China outspoken on its opposition to sanctions in 2009, but it also became much more explicit regarding cooperating with Iran. On October 15\textsuperscript{th} Chinese Prime Minister Wen Jiabao held a meeting with Iranian Vice President Mohammed Reza Rahimi, after which he emphasized their mutual wish to increase “cooperation between the countries in energy and trade and greater coordination in international affairs.”\textsuperscript{230} Iranian cooperation is no longer something which China seems to be attempting to hide. During previous sanctions negotiations China

\textsuperscript{228} Geoff Dyer, Daniel Domby, and Charles Clover, “China hostile to Iran sanctions,” \textit{Financial Times}, 25 September 2009
\textsuperscript{229} Dyer, Domby, and Clover, “China hostile to Iran sanctions,” \textit{Financial Times}, 25 September 2009
\textsuperscript{230} Mark Landler and Eric Wong, “In Face of Sanctions, China Premier Warms to Iran,” \textit{The New York Times}, 15 October 2009
rarely acknowledged its deepening ties with Iran. But in 2009, it openly celebrated the fact that “two-way trade between China and Iran grew 35 percent last year [2008], to $27 billion,”231 and reached similar levels in 2009.232 The combination of potential economic and energy cooperation combine to make Iran a country from whom China could benefit greatly. China seems to have more to lose, suddenly, if it does not challenge US threats of sanctions, and perhaps because of this it is taking a harder stance against them, at least in this stage. This, combined with the fact that China suddenly has gained a source of influence over the US, and for the first time can successfully prioritize its own agenda in Iran in opposition to the US’s, make Chinese resistance to sanctions ever more predictable.

Indeed, Chinese opposition to sanctions has never been clearer than now. After the passing of an IAEA resolution on November 27th, 2009, which called for “the full cooperation of Iran to clarify all outstanding issues involving its nuclear program,”233 Chinese Minister Qin emphasized the importance of resuming “dialogue and negotiation,”234 and once again showed unwillingness to support sanctions. The agreement, however, also ordered the censuring of Iran, and demanded it halt the construction of a recently discovered uranium enrichment plant.235 Then, after assuming its position of Presidency of the Security Council in January of 2010, China “blocked western efforts to impose a fresh round of sanctions”236 after Tehran refused to accept a UN sponsored deal. As part of the agreement, “most of Iran's existing low-grade enriched uranium would be shipped to Russia and France by the end of [2009], where it would be

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231 “China Underlines Strong Ties with Iran,” *Fars News Agency*, 17 October 2009
233 “China Says IAEA Resolution Aims at Early Resumption of Dialogue, Negotiation,” *Xinhua*, 1 December 2009
234 “China Says IAEA Resolution Aims at Early Resumption of Dialogue, Negotiation,” *Xinhua*, 1 December 2009
235 Catherine Phillip, “Russia and China demand Iran halt secret nuclear site,” *The Times Online*, 28 November 2009
236 Clifford Coonan, “China Blocks Iran Sanctions over Nuclear Plans,” *The Irish Times*, 7 January 2010
processed into fuel rods with the purity of 20 percent,” in order to allow Iran to produce nuclear energy. White House spokesman Robert Gibbs made clear that “December is "a very real deadline" for Iran to "pursue its responsibilities" on the nuclear issue,” which made China’s continued reluctance to support sanctions ever more meaningful.

Then, on January 18 2010, China single handedly “blocked a new round of sanctions against the Islamic republic” and, it removed the previous negotiator on Iran, He Yafei, without naming a replacement. Further, in February 2010, after Iran announced it had begun uranium “enrichment activities to the purity of 20 percent,” US Defense Secretary Robert Gates immediately declared that the “only path that is left […] is that pressure track.” China, meanwhile, quickly declared its hope that “all relevant parties will step up diplomatic efforts and make progress in dialogue and negotiations.”

Finally, in April of 2010, China reportedly “agreed to begin discussions on a possible resolution,” although UN diplomats warned “protracted negotiations with China over the substance” were likely. This final development falls in line with China’s previous behavior in the Security Council. In the past, China has resisted US pressure on sanctions for as long as it deemed advantageous. Since China found “itself isolated in the six-power group as Russia reluctantly agreed that a new round of sanctions was necessary,” it became clear that

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237 “U.S. Says Deadline Looms for Iran To Answer To Uranium Swap Deal,” Xinhua, 22 December 2009
238 “U.S. Says Deadline Looms for Iran To Answer To Uranium Swap Deal,” Xinhua, 22 December 2009
239 Bone, “Beijing Blocks Talks on Tackling Iran Nuclear Threat,” The Times Online, http://www.timesonline.co.uk/tol/news/world/middle_east/article6991753.ece
240 “China Calls for More Diplomacy after Iran Announces 20-Pct Uranium Enrichment,” Xinhua, 9 February 2010
242 “China Calls for More Diplomacy after Iran Announces 20-Pct Uranium Enrichment,” Xinhua, 9 February 2010
243 Colum Lynch and Mary Beth Sheridan, “Obama Confident of securing broad support for more U.N. sanctions against Iran,” The Washington Post, 3 April 2010
244 Lynch and Sheridan, “Obama Confident of securing broad support for more U.N. sanctions against Iran,” The Washington Post, 3 April 2010
245 Bone, “Beijing Blocks Talks on Tackling Iran Nuclear Threat,” The Times Online, http://www.timesonline.co.uk/tol/news/world/middle_east/article6991753.ece
continuing to resist sanctions on Iran could cause the international community to become suspicious of its intentions. China held out for as long as it could resisting sanctions, but, as it has numerous times in the past, it has recognized that continued resistance could be damaging to its other relationships, and for that reason has agreed to return to the negotiating table, in a likely attempt to dilute the UN sanctions the international community agrees upon.

A Grand Strategy

China’s behavior in the Security Council raises an important question: why would it be opposed to sanctioning Iran for its illicit nuclear activities, if it, in reality, is opposed to the Iranian nuclear program? Numerous explanations are possible, however looking at China’s previous behavior regarding sanctions in the UN, it becomes clear that its actions have been carefully calculated. Although it has supported sanctions three times previously, and now looks likely to support a fourth round, it only did so after the original proposals “had been watered down and after Russia” also signed off on them. Furthermore, that China now is open to negotiating sanctions on Iran, after nearly 2 years of stalling, indicates China simply wishes to postpone and subsequently curtail any damages to Iran. China has been, and continues to try to find a happy medium “between Iran and the United States,” in an attempt to keep both sides pleased. As long as China eventually votes for sanctions, the US will be relatively happy, and if China can make sanctions “limited,” potential damage to Iran will be curtailed. For example, after the proposed UN agreement in which third party countries would enrich uranium for Iran, China supported the agreement. This ensured the US was satisfied, but when Iran failed to accept, China also declined to support punishing Iran, keeping the Iranians happy. Stalling

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western efforts to impose sanctions on Iran gains China credibility with the Iranians, while its ultimate capitulation and approval of sanctions maintains comity with western powers. A seemingly inconsistent pattern of behavior in China is anything but; the apparent contradictions in policy are part of a calculated effort to play both sides of the field, and maintain positive relations with the US and Iran simultaneously.
Conclusion: Towards a New World Order?

Chinese-Iranian cooperation is poised to deepen in the recent future, and the effects on the international political landscape could be profound. Following the financial crisis of 2008, China is acting more boldly in pursuit of achieving the interests it deems important. On numerous occasions, whether in the Security Council, or simply in the press, China has taken concrete steps in the international community in order to support Iran. In contrast to the US, China sees Iran “not as a threat but a potential ally;”249 leading Chinese scholar Francois Godemet states it best: “the rise of Iran is not bad news for China.”250 A nuclear Iran would be of much greater consequence to western powers, namely the US, than to China herself, and China seems to be aware of this, as through diluting and postponing UN sanctions ever since 2006, China has helped to undermine UN efforts to derail Iran’s nuclear program.

In the past, China has played a key role in nuclear weapons proliferation. It has been widely reported that “China played a major role in the development of Pakistan's nuclear infrastructure”251 and was critical to the successful Pakistani development of nuclear weapons. AQ Khan, the Pakistani nuclear scientist who led the country’s nuclear program, disclosed that the “Chinese gave [Pakistan] drawings of the nuclear weapon, gave [Pakistan] kg50 enriched uranium,”252 providing a “virtual do-it-yourself kit that significantly speeded Pakistan's bomb effort.”253 Chinese scientists exchanged information with Pakistani scientists aiding in “furthering Pakistan’s efforts to improve its nuclear-weapons designs.”254 Although due to its interests with the US, China cannot proliferate nuclear weapons directly to Iran like it did with

254 Medeiros, Reluctant Restraint, 65
Pakistan, as this could severely strain the US-Chinese relationship, it can work against international efforts aimed to prevent Iran from developing nuclear weapons. By watering down sanctions year after year, it seems that China is doing just that.

China has previously benefited from nuclear proliferation, in that Pakistan’s development of nuclear capabilities has prevented India from being able to dominate south Asia completely, and from rivaling China. Perhaps China thinks it could benefit once again, in the case of Iran. If Iran were to get the bomb, US power in the Middle East would be severely challenged, and its influence in the region thus reduced. This would greatly aid China’s goal to cut US influence across the globe.

Nurturing its relationship with Iran in order to secure a future source of oil also appears to be high on the list of Chinese priorities, and due to its newfound confidence and economic leverage over the US, China is able to do so with less fear of US disapproval. Although the overwhelming source of China’s energy is coal, which makes up “70 percent of China’s total primary energy consumption,” China is clearly thinking ahead. While it does not currently need Iranian oil, in the not-so-distant future it may find itself pressed to produce more oil due to skyrocketing demand. Through the numerous agreements with Iranian oil companies, China may have found the energy source it needs to keep its lights turned on.

Finally, in Iran, China may have found the distraction it needs to remove the US from its own backyard. Brazen and confident after its status as a world power was cemented following the 2008 financial crisis, China appears to be capitalizing on the moment of vulnerability the US is currently experiencing. By undermining US efforts to isolate Iran through increasing trade and investing in the Iranian oil industry, China is complicating US foreign policy in the Middle

East. For China, the emergence of Iran as a regional power is a “positive development toward the evolution of a multipolar international system.”\textsuperscript{256} By supporting Iran through increased economic and political cooperation, China seems to be attempting to accelerate the development of this new distribution of power.

A nuclear Iran is one of the greatest fears of many world powers, but it seems that for China, such a situation could bring about positive results. While increased tensions in the Middle East—which would almost assuredly result from the Iranian construction of a nuclear bomb—are never a good thing, China has few entanglements in the region, and could benefit from such regional strife. By increasing ties with Iran, and promoting favorable relations with Tehran, China seems to be preparing for the post-nuclear Iran world.