

Beijing's Tightrope Walk on Iran

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(I am deeply indebted to Tiffany Ng for her invaluable assistance in the preparation of this essay. I am also indebted to Erica Downs for her many valuable comments and corrections on a draft.)

In dealing with the Islamic Republic of Iran, as with the Democratic People's Republic of Korea (DPRK; see *CLM* 30), China confronts yet another exquisite dilemma, albeit of a somewhat different type. Unlike Pyongyang, Tehran is not a long-time ally and critical security buffer along the Chinese border. It is, however, a major political and economic player in a region of increasing importance to Beijing, a significant source of vital oil supplies, and a close friend among developing nations. Unfortunately, as with Pyongyang, it is also most likely acquiring nuclear weapons capabilities in defiance of most of the international community and directly threatening the vital interests of the United States and the West. Hence, as with North Korea, the Chinese leadership must walk a diplomatic and political tightrope in its policies toward Iran, in this instance seeking to maintain increasingly lucrative and strategically useful economic and political ties to a major power and friend in a critical region of the world. At the same time, it must support international efforts to sustain the global nonproliferation regime, prevent the further destabilization of a highly volatile and critical region, and avoid antagonizing the United States and other key powers.

This essay first examines China's interests and policies toward Iran, especially as they affect the United States. It then takes a close look at the lines of apparent debate within China on the Iran nuclear issue and Chinese policy, and concludes with a few general observations.

Chinese Interests

China's stance toward Iran is driven by several very important interests. Front and center among these are two critical strategic imperatives that exist in considerable tension with one another. On the one hand, Beijing wants to strengthen its political and economic ties with all the key powers in the Middle East, including Iran. This is deemed essential for both broad geostrategic reasons (i.e., to maintain influence in a nearby region of great importance to the United States and other major powers), and for narrower economic reasons (i.e., to address China's growing need for foreign imports of critical energy supplies and to protect an expanding market for Chinese exports). More broadly, this interest is in line with China's overall strategic desire to maintain amicable and

productive ties with all major regions and powers, viewed as critical for the maintenance of a generally peaceful, non-threatening international environment conducive to high rates of Chinese economic growth.¹

The maintenance of good relations with Iran is viewed as particularly essential to the advancement of these Chinese interests in the Middle East. From a geostrategic perspective, as a large country linking Central Asia and the Middle East, with huge energy supplies, a well-educated public, and an ambitious political leadership possessing regional aspirations, Iran is viewed by Beijing as a rising power with considerable potential influence over the future political makeup and orientation of a vast area of critical importance to China. Of particular significance from a strategic perspective, given its existing policies, Iran stands as a potential counterweight to excessive U.S. influence in the Middle East, a check on U.S. unilateralism on various issues relevant to the region, and a possible source of leverage in support of Chinese interests vis-à-vis other regional powers such as Saudi Arabia and Israel. In other words, Beijing believes it can potentially employ good relations with Tehran to gain political influence vis-à-vis the key adversaries of Iran, particularly Washington, Riyadh, and Jerusalem.²

More broadly, as a major developing power, Iran stands as a key partner in China's ongoing effort to present itself as a key ally of the interests of the developing world. Hence, good relations with Iran potentially contribute to China's expanding global influence beyond the West.³

Finally, from a narrower economic perspective, Iran is particularly important to Beijing as a major (and growing) supplier of oil, a recipient of considerable Chinese investments in the energy and infrastructure sectors, and a market for Chinese capital goods exports such as machinery, as well as engineering services.⁴ Such activities assist Chinese state-owned energy corporations in the effort to internationalize their business operations. Iran may also offer a potential alternative overland transportation channel for the shipment of energy products from the Middle East.⁵

We should add that, for some Chinese and foreign observers, Beijing's efforts to pursue closer energy-related ties with Tehran also derive from a suspicion that the United States (and possibly other Western countries) seek to deny China access to energy resources in other more mainstream countries or regions. For other observers, China's energy policies toward Iran and other so-called rogue nations are designed to offset Western political leverage over China in general. In other words, from this perspective, China's economic links with Iran are driven in part by perceived hostile U.S. actions, or Chinese suspicion toward the United States.⁶

A less ominous explanation for China's drive for energy-related investment deals with Iran is the notion that Beijing is simply a latecomer in the global energy production game. As Erica Downs, a leading specialist on China's energy policies at the Brookings Institution, states, Iran's huge oil and gas reserves are particularly important to China because "Beijing's late arrival to international exploration and production has made it difficult for them to acquire attractive investment opportunities abroad." And Beijing has pursued energy ties with countries such as Iran and Sudan because the absence or reduced

presence of major international oil companies created a vacuum that China's oil companies could fill.⁷

Standing in considerable tension with these factors supporting close relations with Tehran are a second set of critical Chinese interests, centered primarily on Beijing's relationships with the United States, the West, and the international community in general. First and foremost, Beijing has strong, enduring incentives to avoid actions that could severely disrupt its stable and productive relationship with the United States and the West. This is because the ability to work with such major powers in advancing mutual economic interests, addressing a growing array of regional and global problems and concerns, and generally preventing the emergence of a hostile strategic environment is viewed as essential to the success of Beijing's overall attempt to sustain high rates of growth and expand its international influence.⁸

In particular, the Chinese leadership does not want to be seen as directly challenging or otherwise undermining U.S. interests and policies in areas Washington regards as of critical strategic importance.⁹ This certainly includes both Iran's nuclear program and its support for America's adversaries in the Middle East and beyond. Indeed, the United States has reportedly informed China's leaders that its concerns vis-à-vis Iran constitute "core" American interests.¹⁰

Such factors thus undoubtedly place significant restraints on the extent to which China can advance its ties with Iran at present and for the foreseeable future.

Apart from these calculations vis-à-vis the United States, Beijing also has a strong independent interest in preventing Iran from acquiring nuclear weapons and undermining the global nonproliferation regime, for several reasons. First, China's leaders believe that a nuclear-armed or nuclear-capable Iran could severely destabilize the Middle East and Central Asia (and thereby reduce China's access to critical energy supplies), by possibly triggering a more strident arms race (most likely involving the acquisition of nuclear weapons capabilities by other regional powers), an attack on Tehran by Israel and/or the United States, and the proliferation of nuclear weapons or nuclear-related capabilities to terrorists in the Middle East and elsewhere.¹¹

In addition, a nuclear Iran would arguably dilute China's status as one of only a handful of nuclear powers, undermine the Nuclear Non-Proliferation Treaty (NPT), and (perhaps most importantly) add to the number of nuclear armed powers in close proximity to China. This would thus reduce China's relative influence as a major power, worsen its immediate threat environment, and arguably destabilize the larger global security environment.¹²

Finally, and closely related to the previous point, Chinese opposition to efforts to prevent Iran from acquiring nuclear weapons could damage China's international reputation as a strong supporter of the global counter-proliferation regime. It is obviously not in the interests of China as a responsible emerging global power to appear to be an outlier or pariah state on such a critical issue.¹³

Taken as a whole, such factors repudiate the argument that China secretly favors Iran's acquisition of nuclear weapons, in order to check U.S. influence in the Middle East, to divert U.S. energies from strategic competition with China, or more generally to encourage the emergence of a multipolar global environment. In this instance, the likely costs to China incurred through such efforts would almost certainly exceed the benefits.¹⁴

At the same time, it is most likely also true that the Chinese leadership does not regard Iran, and even a nuclear-armed Iran, as constituting as great a threat to regional stability and Chinese interests as do the United States and many Western nations. Although Tehran's activities in the nuclear realm, and perhaps its association with terrorist groups in the Middle East, pose serious concerns for Beijing, China's leaders probably do not regard Iran's behavior as sufficiently threatening, particularly in an urgent sense, to justify putting at risk their long-standing and important economic and strategic ties with that country. Moreover, it is also possible that the Chinese leadership holds a skeptical view toward Washington's claims regarding Iran's nuclear activities, given past intelligence errors made by U.S. government agencies in the case of the Iraqi nuclear program.¹⁵

As indicated above, these two sets of interests run somewhat contradictory to one another and hence complicate Chinese efforts to craft a clear, effective, and consistently beneficial policy toward Iran. On the one hand, Beijing does not want to do anything that would severely undermine or destroy its deepening political and economic relationship with Tehran and (arguably) the Iranian people.¹⁶ On the other hand, it does not want to severely alienate or antagonize Washington, the West, or the international community by supporting or protecting Iran in the face of strong opposition from such quarters.¹⁷ As we have seen in other cases—for example, regarding PRC policy toward North Korea and AfPak, and concerning the issue of Chinese assertiveness (in *CLM* nos. 30, 31, and 32, respectively)—this situation poses a major challenge for Chinese foreign policy.

Chinese Policies

The above cross-cutting pressures have resulted in a complex mixture of Chinese policies over many years, reflecting continuous efforts to recalibrate and tack between divergent interests.

In the economic (and especially the energy) arena, Beijing has undertaken a variety of activities that reflect, and reinforce, the level of significance it places on ties with Iran. In 2009, China had become Iran's primary trading partner, with bilateral commercial sales worth nearly 30 billion dollars, rising from an extremely low base of 400 million dollars in 1994. Over the past 15 years, Chinese imports of crude oil from Iran have grown steadily, accounted for approximately 10 to 15 percent of China's total oil imports. China now depends on Iran for 11 percent of its energy. And these percentages are likely to increase in the future.¹⁸

In addition to trade, Beijing has also struck a wide variety of largely energy-related economic investment and development agreements with Tehran that, if fully implemented, would greatly increase China's stake in maintaining good relations with Iran and avoiding any Iran-related regional conflicts. These agreements include: major upstream and downstream investment projects, such as an agreement to give Sinopec a role in developing Iran's large Yadavaran oil field (with estimated reserves of 3 billion barrels),¹⁹ deals for China National Petroleum Corporation (CNPC) to develop the North and South Azadegan oil fields; the upgrading of Iranian oil refineries and enhancement of oil recovery capabilities; the development of the North and South Pars gas fields and the construction of a liquefied natural gas (LNG) plant; and the construction of oil and gas pipelines. Iran's vice oil minister recently stated that China would likely invest 48 to 50 billion dollars in oil and gas ventures as a result of such arrangements.²⁰

Beijing has also invested considerably in several non-energy sectors, including Tehran's metro system ("the largest mechanical-electrical project undertaken by Chinese companies abroad"), a major vehicle plant, the modernization of Iran's oceanic shipping fleet, and railway projects.²¹

To some extent, Beijing's growing energy ties to Iran have benefited from long-standing U.S. economic sanctions, which arguably allow Chinese companies to face less competition in Iranian markets and with regard to investment opportunities than they might confront in other countries.²² Moreover, U.S. pressure has also apparently caused Tehran to attempt to pull Beijing closer economically by offering lucrative trade and investment deals, as part of a general "binding strategy" (捆绑战略) designed to increase China's desire to delay, weaken, or block Western sanctions.²³ In particular, Tehran is attempting to obtain additional Chinese support for the construction of refineries, in order to acquire sufficient refining capacity to meet Iran's gasoline requirements with domestic production and thereby neutralize the impact of sanctions championed by U.S. lawmakers.²⁴

One must note, however, that investing in Iran poses major challenges for foreign countries, including China. Many of Iran's oil and gas fields utilize aging or obsolete equipment, often requiring costly upgrades. Perhaps most important are the unattractive terms offered to foreign investors and the fact that the Iranians are extremely tough negotiators, often pushing for excessively high prices, or altering or canceling agreements in midstream.²⁵

Moreover, it is arguably the case that Beijing has foregone or slowed some of its economic deals with Iran as a result of foreign (and especially U.S.) pressure. In particular, some outside analysts believe that Chinese fears concerning the economic impact of existing and likely sanctions against Iran regarding the nuclear imbroglio, along with a general desire to avoid appearing as if China is resisting the will of the international community, have together contributed to the slow progress or lack of progress on some of the above investment deals. Perhaps the most notable likely example of this behavior has been Beijing's delay in developing the Yadavaran oil field, which some analysts attribute in part to U.S. pressure.²⁶ In addition, some Chinese

energy projects with Iran cannot move forward because of technical limitations. For example, Chinese and Iranian companies lack the specific technology required to liquefy Iran's natural gas and cannot acquire such technology due to UN and U.S. sanctions.²⁷

A second area of bilateral activity consists of conventional arms sales. During the 1980s, Beijing provided large amounts of conventional weapons, including ballistic and cruise missiles, to several Middle East countries—especially Iraq and Iran, during their protracted war. Indeed, Beijing sold approximately \$12 billion worth of conventional weapons to both sides during that conflict, along with valuable scientific expertise and dual-use technologies. At that time, Washington was particularly concerned over China's sale of Silkworm anti-ship missiles to Iran—which gave Tehran the power to attack or harass ships transiting the narrow Strait of Hormuz—in addition to a variety of nuclear assistance (discussed below).²⁸ As a result, the United States leveled 12 sets of sanctions on Chinese companies between 1987 and 2004 for providing primarily missiles and nuclear materials and know-how to Iran.²⁹

Such U.S. pressure (and the end of the Iran-Iraq war) ultimately led to a significant reduction in China's conventional weapons sales to Tehran. Since at least the late eighties, Beijing has generally avoided selling provocative weapons such as ballistic and cruise missiles to Iran and other Middle Eastern nations.³⁰ However, according to some reports, Beijing has at times provided Iran with various types of machinery and equipment used for the production of advanced anti-ship missiles, and it continues to sell some arms and munitions to countries in the region, including Iran.³¹ In fact, according to the Stockholm International Peace Research Institute (SIPRI), between 2005 and 2009, Iran was China's second largest export market for military sales, next to Pakistan. Such sales included anti-ship missiles and portable surface-to-air missiles.³²

In some instances, Chinese officials claim that individual Chinese companies make such sales in violation of China's export regulations, thus reflecting a larger problem that Beijing has had in the past in enforcing controls over Chinese economic entities operating in a variety of countries.³³ However, in the case of Iran, such entities might actually be lobbying the PRC government to avoid any activities (such as severe sanctions) that could jeopardize their commercial activities (see below for more).³⁴

Finally, China's overall balancing act toward Iran is perhaps best (and most notably) reflected in its specific stance regarding Iran's nuclear program. As a general principle, Beijing formally supports the nuclear nonproliferation regime and the authority of the International Atomic Energy Agency (IAEA) in its efforts to monitor and enforce compliance with the NPT and other related foundation agreements of the regime.³⁵

In line with this position, in the late nineties, China reportedly reached an understanding with Washington that Tehran's nuclear activities presented dangers to the nonproliferation regime and regional security in the Middle East. As a result, in 1997, Beijing pledged to cancel what until then had been a significant level of civilian nuclear cooperation with Iran and not to undertake any new projects.³⁶ China has largely honored that commitment, according to many analysts, although concerns have emerged

from time to time that Chinese entities continue to provide some forms of nuclear-related assistance to Iran.³⁷

In recent years, China has gradually extended greater (albeit still limited) support to largely U.S.-led Western efforts to place greater pressure on Iran to reveal the details of its growing nuclear program. Washington and other capitals strongly suspect that Tehran is concealing a nuclear weapons program, under the guise of efforts to conduct nuclear research for medical purposes. U.S. officials have made it clear on many occasions that, as former Deputy Secretary of State Robert Zoellick stated in September 2005, “China’s actions on Iran’s nuclear programs will reveal the seriousness of China’s commitments to nonproliferation.”³⁸

Largely as a result of U.S. persuasion and pressures, in February 2006, China supported the IAEA’s decision to report Iranian noncompliance to the UNSC, a position it resisted for years. More importantly, beginning in July 2006, Beijing supported four UN resolutions critical of Iran (most recently, Resolution 1929 passed on June 9, 2010) and, in connection with such resolutions, endorsed, after some negotiation with the United States and other powers, specific, limited sanctions against Tehran, as well as a more stringent freeze on Iranian assets. In November 2009, Beijing also backed a strong IAEA rebuke of Iran for its continued defiance of UN resolutions.³⁹

On the other hand, China’s stance toward Iran’s nuclear activities is by no means entirely in line with that of the West. From the broadest perspective, Beijing makes a distinction between Tehran’s status as a possible violator of the nonproliferation regime—and the NPT in particular—and its right under the NPT to develop non-military, civilian nuclear capabilities.⁴⁰ Hence, as one Chinese expert on nuclear issues states: “From a legal point of view, if Iran is genuine in its support of nonproliferation, China will support Tehran’s right to civilian nuclear energy based on the principle of sovereignty.”⁴¹ In contrast, although the U.S. government is not opposed to Iran’s civilian, peaceful use of nuclear power, it strongly emphasizes that Tehran must reassure the international community regarding the non-military nature of its nuclear program and comply with IAEA requirements, and U.S. officials have stated that they strongly believe Tehran’s motives in developing its nuclear capacity are not peaceful.⁴² Beijing has made no such statement.

Secondly, Beijing remains highly circumspect toward the application of sanctions on Iran. As a general principle, it does not support such attempts, whether unilateral or multilateral, to induce “proper” conduct among nations, for a variety of reasons.⁴³ In the case of Iran, the Chinese leadership has reluctantly supported the application of very targeted, limited sanctions, as indicated above. Specifically, it will only support sanctions that do not damage the global economic recovery, the Iranian people, or normal trade with Iran (and, by implication, PRC economic interests). Moreover, Beijing insists that it supports such sanctions not out of any intent to punish Iran, but to promote the resumption of negotiations regarding Tehran’s nuclear activities. In other words, sanctions are viewed solely as part of an overall effort to peacefully resolve the nuclear imbroglio through diplomatic means, in a nonconfrontational manner.⁴⁴ Thus, China is

certainly not prepared to support what the United States might regard as “crippling” sanctions against Iran.⁴⁵

In general, Beijing probably calculates that its interests are best served by supporting efforts to apply such limited sanctions because: a) other major powers, including the Europeans, the IAEA, and (especially and most recently) Russia⁴⁶ support their use, and Beijing does not want to be viewed as an outlier on this issue; b) Tehran has continued to defy the efforts of the international community by refusing to permit adequate inspections of its nuclear facilities and “show flexibility”; and c) in the absence of such limited measures, the United States and other nations might unilaterally opt for much more severe sanctions that could threaten China’s economic interests, or worse yet, possibly undertake military action against Iran.

In addition, Beijing probably surprised many observers (see the next section) and supported the above-mentioned fourth round of sanctions against Iran in June 2010 because the United States and other Western nations offered many additional incentives and assurances and applied significant pressure on China. Such actions apparently included: a) a U.S./EU guarantee that Chinese companies would be exempted from any follow-on sanctions; b) intense lobbying by Israeli officials—including possible discussion about Israeli air strikes on Iran; c) the desire to avoid an implied threat of diplomatic isolation, given Russia’s shift in support of limited sanctions; and possibly d) an agreement by Saudi Arabia to increase its oil exports to China in compensation for Beijing’s support (more on this point below).⁴⁷

Unofficial Chinese Views

The complexity of China’s interests vis-à-vis Iran, in the context of the ongoing (and arguably worsening) confrontation between the West and Tehran over the latter’s continued refusal to permit full IAEA-led inspections of its nuclear facilities, naturally generates discussion among Chinese observers regarding Beijing’s most vital interests and the appropriateness of its policies and tactics. As in the case of other highly sensitive security issues of critical interest to both China and the West (such as North Korea and the Afpak situation), unofficial, public commentary in the Chinese media contains a wide range of views. Moreover, as with those issues, the fact that such commentary is permitted, even within official PRC media outlets, suggests that some debate most likely exists within leadership circles over such issues as how much pressure to apply on Tehran, how to position Beijing vis-à-vis Washington, and so forth. However, in partial contrast to the North Korea and Afpak issues, Chinese commentary on Iran apparently contains far fewer unconventional or extreme arguments or observations that vary significantly from the official PRC stance.

On one extreme, a few Chinese analysts engage in “friendly” yet pointed criticism of Iran, citing China’s long-standing, close political ties and mutually beneficial economic relations with Tehran while stressing the need for the Iranian leadership to exercise more flexibility, respond more effectively to the views of the international community, and avoid any reckless behavior. One such observer even calls for Iran to “wake up” and

warns against “tragic” consequences if it continues to maintain a hard-line stance.⁴⁸ However, such views are decidedly in the minority among Chinese commentators. In fact, one Chinese observer specifically criticized the Yin Gang article cited in note 48, arguing that it is inaccurate in drawing attention to Tehran’s behavior as a source of the nuclear problem, and runs contrary to Chinese policy. Wang argues instead that the crisis in the Middle East, and with regard to Iran in particular, is a direct result of U.S. support for Israel and the Western tendency to interfere in the region.⁴⁹

Indeed, as in the case of Chinese commentary on North Korea and Afpak, criticism of the United States (and, secondarily, the West in general) constitutes a significant theme among many Chinese analyses of the Iranian nuclear crisis. Many Chinese sources point to Washington’s long-standing hard line stance toward Tehran, and its supposedly larger desire to use the Iran crisis to strengthen its influence in the Middle East and beyond, as a major source of the problem.⁵⁰ Some Chinese authors even assert that Western interference has most recently included attempts to aggravate Iranian demonstrations against the Tehran regime over the results of the 2009 presidential elections. For some observers, such activity is part of a larger, long-standing effort by the West, led by the United States, to topple the Iranian government through clandestine means.⁵¹ Moreover, this type of behavior is in turn linked to a strong suspicion among many Chinese that the United States seeks to foment support for so-called pro-democratic “color revolutions” among many authoritarian societies, including China.⁵²

Other commentators indignantly criticize the United States for apparently attempting to elicit Beijing’s support for sanctions against Tehran by prodding Saudi Arabia and other energy producers to sell more crude oil to China, in order to reduce Chinese dependence on Iranian oil supplies. These observers presumably resent the implication that China’s stance toward Iran is based purely on its energy ties with that nation and can thus be influenced by such “crude” commercial moves (even though it appears that such moves ultimately exerted some effect on Beijing).⁵³

Still other observers link perceived U.S. attempts to pressure and cajole China regarding its ties with Iran to an overall American desire to constrain Beijing’s growing energy-related activities abroad, for competitive reasons, or more broadly to “test” China’s resolve.⁵⁴

And finally, many Chinese scholars assert, or strongly imply (usually as part of a broader criticism of U.S. counter-proliferation policy), that Beijing should not associate itself with the morally inconsistent and hypocritical stance of the West in opposing a nuclear-armed Iran while accepting a nuclear-armed Israel and India.⁵⁵

Although such pointed criticism of the United States and the West is fairly common among Chinese observers of the Iran nuclear issue, the majority of sources largely reflect the official PRC view, and generally avoid castigating Washington and Europe. That is, they stress the need to resolve the dispute through peaceful measures involving persistent negotiations and flexibility on all sides, without explicitly criticizing the motives of any players. For many such unofficial observers, this approach is reinforced by the commonly held Chinese belief, summarized above, that sanctions and other forms of

confrontation and pressure are largely ineffective overall and in any event have not moved the Iranians in a positive direction. However, a few observers also link the West's emphasis on sanctions to a general, long-standing pattern of aggressive, bullying behavior toward developing nations.⁵⁶

In line with this view, in the winter and spring of 2009–2010, many Chinese observers expected that Beijing would not support a fourth sanctions resolution and some urged Beijing not to undertake such an action.⁵⁷ This high level of opposition suggests that Beijing's eventual support for a fourth round of sanctions probably surprised many Chinese, although a few analysts correctly predicted Beijing's actions in this instance.⁵⁸

Finally, in contrast to the North Korea issue (see *CLM* 30), extremely few Chinese commentators criticize Beijing's policy toward Iran to any significant degree. In fact, among the sources consulted for this study, only one observer leveled such criticism. And in that instance, it was placed in a larger context of overall PRC energy policy.⁵⁹ In addition, no Chinese sources examined for this study address the likely influence of China's energy corporations over PRC policy toward Iran, despite the attention paid to such a factor by many Western analysts.

The scarcity of unofficial Chinese criticism of PRC policy toward Iran (and of the Tehran regime), and the absence of any mention of the influence of Chinese economic entities are probably due to several factors. First and perhaps foremost, Tehran has not threatened Chinese interests and ignored Chinese advice and urgings to the extent that Pyongyang has clearly done. In fact, some Chinese probably believe that, by courting Beijing through its "binding strategy," and generally resisting strong Western pressures, Iran is serving Chinese interests. Second, there is not as long and pronounced a record of failure to deter Iran from acquiring nuclear weapons as there arguably is in the case of North Korea. Indeed, some Chinese observers probably doubt whether Iran is actually pursuing a nuclear weapons program or is very far advanced in acquiring such weapons. Third, given both the absence of any clear, unambiguous confirmation of an Iranian nuclear weapons program (much less Tehran's possession of a nuclear weapon), along with the likely uncertainty and suspicion with which many Chinese observers regard U.S. motives toward Iran and the Middle East in general, there is probably little reason for most Chinese to doubt or challenge the correctness of Beijing's policy of caution, balance, and persistent diplomatic engagement. Fourth, any reference to the influence of Chinese economic entities on PRC policy toward Iran would suggest that Chinese interests on this issue are driven primarily by narrow economic factors (as opposed to high principles and broad strategic interests) and that the central government does not have control over its own policies.

Concluding Thoughts

China has repeatedly sought to walk a fine line in its policies toward Iran: on the one hand, seeking to strengthen and advance various bilateral political, economic, and (at times) military ties and to defend Tehran's rights as a civilian nuclear power, while on the other hand limiting or curtailing the extent of its bilateral involvement and in some cases

joining the United States and the West in applying carefully circumscribed pressure upon the Iranian leadership to comply with international demands regarding its nuclear program.

To some extent, this situation has arguably provided China with a degree of leverage in its dealings with both Iran and the West. As a member of the UN Security Council, major economic partner of both Tehran and the Western powers, and a key player on many global issues, Beijing is arguably positioned to extract benefits in return for its support to either side, and has apparently done so with some success. For example, “in 1997, China used its commitment to end cooperation with Iran on nuclear, cruise missile, and Category I ballistic missile capabilities to win an American commitment to high-profile presidential visits to Beijing and Washington in 1997 and 1998.”⁶⁰ Also, as indicated above, China has possibly obtained commitments of increased oil exports from major Middle East producers such as Saudi Arabia in return for its support for limited sanctions. However, while pursuing such quid pro quos, Beijing must also avoid conveying the impression that it is cynically manipulating a serious international issue of concern to many major nations for purely individual gain.

Ultimately, Beijing does not want to be forced to choose sides between Iran and the West. Indeed, even if Tehran were to unambiguously develop nuclear weapons and embark on a provocative course of action similar to that of North Korea, it is unlikely that China’s leaders would fully support Western policies, especially if such policies could lead to hostile or threatening actions toward Tehran. A major escalation of the Iran nuclear crisis will more likely lead Beijing to intensify its highly cautious tightrope walk, in a seemingly endless effort to maintain the middle ground. On this issue, as on so many others of critical importance to the West, Beijing pursues its own distinctive set of interests as a very independent, cautious, and non-democratic nation with both growing international influence and a strong suspicion of Western (and especially U.S.) motives in many areas. Overcoming or moderating these factors, in part by enhancing China’s incentives to deepen, not weaken, its overlapping areas of interest with the West, will undoubtedly pose an increasing challenge for Washington in the months and years ahead.

Notes

¹ Michael D. Swaine and Ashley J. Tellis, *Interpreting China’s Grand Strategy: Past, Present, and Future* (Santa Monica: RAND Corporation, 2000); John Garver, Flynt Leverett, and Hilary Mann Leverett, “Moving (Slightly) Closer to Iran: China’s Shifting Calculus for Managing Its ‘Persian Gulf Dilemma’,” The Edwin O. Reischauer Center for East Asian Studies, Asia-Pacific Policy Papers Series, October 2009; Jon B. Alterman and John W. Garver, *The Vital Triangle: China, the United States, and the Middle East* (Washington, D.C.: Center for Strategic and International Studies, 2008).

² John W. Garver, *China and Iran: Ancient Partners in a Post-Imperial World* (Seattle: University of Washington Press, 2006); Dingli Shen, “Iran’s Nuclear Ambitions Test China’s Wisdom,” *Washington Quarterly* 29, no. 2 (Spring 2006); Yaping Wang, “A Tale of Two Countries—Differing Priorities between China and the U.S. on North Korea and Iran’s Nuclear Ambitions,” *Carnegie China Insight Monthly*, no. 54 (September/October 2009), available at <http://carnegieendowment.org/programs/asia/chinese/insightmonthly/Articles/october09.cfm>; Shulong Chu, “China Seeks Six-Party Solution on Iran,” *Asia Times Online*, December 19, 2007, Open Source Center (hereafter OSC) CPP20071220721001.

³ As one among many examples of this viewpoint found in Chinese sources, see Ma Ning, “Any Favorable Turn on the Middle East Issue Is Precious,” *Beijing Qingnian Bao Online*, August 3, 2007, OSC CPP20070803710008.

⁴ See John Calabrese, “China and Iran: Mismatched Partners,” Jamestown Foundation Occasional Paper, August 2006; Zha Daojiong, “China’s Energy Security: Domestic and International Issues,” *Survival*, vol. 48, no. 1 (Spring 2006), pp. 179–190; Jon B. Alterman and John W. Garver, *The Vital Triangle: China, the United States, and the Middle East* (Washington, D.C.: Center for Strategic and International Studies, 2008). Iran is a major energy producer with enormous long-term potential. Its total hydrocarbon resources are “effectively equal to those of Saudi Arabia and significantly greater than those of Russia.” Moreover, “Iran’s low rates of production of crude oil and natural gas, relative to its reserves base, suggest that the Islamic Republic is perhaps the only major energy-producing state with the resource potential to increase production of both oil and gas by orders of magnitude over the next decade or so.” See Flynt Leverett, “The Geopolitics of Oil And America’s International Standing,” testimony before the Senate Committee on Energy and Natural Resources, January 10, 2007, available at http://energy.senate.gov/public/_files/Leverett.doc. And China’s dependence on energy imports will continue to expand over the foreseeable future. Beijing currently meets about half of its oil demand via imports and this number is expected to grow significantly over the next 20 years, as its domestic oil production remains stagnant. See U.S. Energy Information Agency, 2006: http://www.eia.doe.gov/oiaf/ieo/pdf/ieoreftab_4.pdf. As Erica Downs states, “Iran’s underdeveloped oil and natural gas reserves are a grand prize for Chinese firms.” Erica Downs, “Beijing’s Tehran Temptation,” *Foreign Policy*, July 30, 2009.

⁵ As Garver et al. state: “For senior Chinese military officers and intelligence officials focused on the security of China’s energy supplies, Iran is also uniquely important for China’s efforts to diversify transportation routes for its oil and gas imports. In this regard, Iran is the only major energy-producing state in the Persian Gulf whose geographic position would permit transport of oil and gas exports to Asian markets via pipeline as well as via sea routes—an important consideration for Chinese officials and strategic planners concerned about the possible interdiction of China’s sea-borne oil imports as they pass through the Straits of Malacca.” See John Garver, Flynt Leverett, and Hilary Mann Leverett, “Moving (Slightly) Closer to Iran: China’s Shifting Calculus for Managing its ‘Persian Gulf Dilemma,’” Edwin O. Reischauer Center for East Asian Studies, Asia-Pacific Policy Papers Series, October 2009.

⁶ Jon B. Alterman and John W. Garver, *The Vital Triangle: China, the United States, and the Middle East* (Washington, D.C.: Center for Strategic and International Studies, 2008); Zha Daojiong, “China’s Energy Security: Domestic and International Issues,” *Survival*, vol. 48, no. 1 (Spring 2006), pp. 179–190.

⁷ See Erica Downs, “Beijing’s Tehran Temptation,” *Foreign Policy*, July 30, 2009; correspondence with Erica Downs. Also see Mei Xinyu, “A Powerful Force,” *Beijing Review Online*, January 25–31, 2007, OSC CPP20070212721049. Mei writes: “Since it has no advantage when competing with Western energy enterprises in countries that maintain close relations with Western countries, especially America, China has to turn to countries that have less close ties with the United States, such as Iran, Venezuela and Sudan.”

⁸ Michael D. Swaine and Ashley J. Tellis, *Interpreting China’s Grand Strategy: Past, Present, and Future* (Santa Monica: RAND Corporation, 2000).

⁹ For a typical example of this viewpoint, see Wang Qing, “Roundup: China and Iran Reach Major Deal Worth US \$16 Billion, China National Offshore Oil Corporation Plans To Develop Iran’s Second Largest Natural Gas Field,” *Zhongguo Tongxun She*, December 22, 2006, OSC CPP20061222004003. The author writes: “China will not bring itself into strategic conflict with the United States because of its energy cooperation with Iran.”

¹⁰ Discussion with U.S. official, April 2010.

¹¹ Such beliefs are also in line with or derive from a Chinese view that smaller powers such as Iran might not be “as responsible as big powers both technically and politically in nuclear development and application.” See “Shades of Red: China’s Debate over North Korea,” International Crisis Group, Crisis Group Asia Reports No. 179, November 2, 2009, p. 18. The quote comes from an interview with a Chinese source. Also see Jon B. Alterman and John W. Garver, *The Vital Triangle: China, the United States, and the Middle East* (Washington, D.C.: Center for Strategic and International Studies, 2008); Shulong Chu, “China Seeks Six-Party Solution on Iran,” *Asia Times Online*, December 19, 2007, OSC CPP20071220721001.

¹² For a further discussion of these points, see “The Iran Nuclear Issue: The View from Beijing,” International Crisis Group, Update Briefing, Asia Briefing No. 100, February 17, 2010.

¹³ Ibid.

¹⁴ For a similar assessment, see John Garver, Flynt Leverett, and Hilary Mann Leverett, “Moving (Slightly) Closer to Iran: China’s Shifting Calculus for Managing its ‘Persian Gulf Dilemma’,” Edwin O. Reischauer Center for East Asian Studies, Asia-Pacific Policy Papers Series, October 2009.

¹⁵ For a useful discussion of this point, see Shulong Chu, “China Seeks Six-Party Solution on Iran,” *Asia Times Online*, December 19, 2007, OSC CPP20071220721001. Chu writes: “The Chinese believe that there are differences between the International Atomic Energy Agency (IAEA) conclusions and American suspicion about the Iranian nuclear program—just as there were differences between the UN’s investigation on Iraq’s nuclear weapons program and US claims before the Iraq War. Because China and the U.S. continue to have differences about the Iranian nuclear program and its threat, the two governments will logically have disagreements on policies and timetables to deal with any contending ‘realities.’”

¹⁶ In this regard, it is possible that some Chinese leaders and observers make a distinction between the current Iranian regime and the Iranian people, seeking to establish enduring economic (and to a lesser extent social and political) ties with the nation that could survive any particular government. This attitude is most likely present in China’s relations with many countries. See “The Iran Nuclear Issue: The View from Beijing,” International Crisis Group, Update Briefing, Asia Briefing No. 100, February 17, 2010; “Editorial: Talks Key to Solving Iranian Nuclear Issue,” *Global Times Online*, September 28, 2009, OSC CPP20090928722002.

¹⁷ See Anthony Kuhn, “China Forced To Find Balance Between U.S., Iran,” NPR *Morning Edition*, March 1, 2010; John Garver, Flynt Leverett, and Hilary Mann Leverett, “Moving (Slightly) Closer to Iran: China’s Shifting Calculus for Managing its ‘Persian Gulf Dilemma’,” Edwin O. Reischauer Center for East Asian Studies, Asia-Pacific Policy Papers Series, October 2009; Kevin Larkin, “China Risk: Bursting with Energy: Sino-Iranian Relations—Issues, Interests and Insights,” *Political and Security Risk in China*, 2:4 (April 16, 2009); Jon B. Alterman and John W. Garver, *The Vital Triangle: China, the United States, and the Middle East* (Washington, D.C.: CSIS Press, 2008); “China’s oil security and its Middle East oil strategy,” *Shijie jingji yanjiu* [World Economic Studies], no. 1 (2001), pp. 19–22; Yetiv and Lu, “China, Global Energy, and the Middle East,” *Middle East Journal*, 2007; Brookings Conference: “The Rise of China: Beijing’s Role in the Middle East,” 2008:

http://www.brookings.edu/events/2008/0626_middle_east.aspx.

¹⁸ By early 2006, Iran had already replaced Saudi Arabia as China’s number one source of imported oil. See “China Takes Over From West as Iran’s Main Economic Partner,” Hong Kong Agence France-Presse (hereafter AFP), March 15, 2010, OSC CPP20100315968150; John Calabrese, “China and Iran: Mismatched Partners,” Jamestown Foundation Occasional Paper, August 2006; Blake Hounshell, “China Is Now Iran’s Top Trading Partner,” *Foreign Policy*, February 9, 2010, available at http://blog.foreignpolicy.com/posts/2010/02/09/china_is_now_irans_top_trading_partner.

¹⁹ Sinopec and the National Iranian Oil Corporation (NIOC) signed a buyback agreement for the Yadavaran project in December 2007, and the Iranians approved Sinopec’s investment plan in late 2009. Sinopec is now in the process of lining up contractors to help develop the field, according to Erica Downs. The Yadavaran agreement, valued at between \$70 billion and \$100 billion, could make Sinopec one of the major oil companies in the world.

²⁰ “China Takes Over From West as Iran’s Main Economic Partner,” Hong Kong AFP, March 15, 2010, OSC CPP20100315968150; “Factbox-Iran’s Crude Export and Fuel Import Customers,” Reuters, April 13, 2010; “Factbox: Ties Binding China and Iran,” Reuters, May 18, 2010; “Timeline-China’s Investment in Iranian Oil/Gas Sectors,” Reuters, October 9, 2009; “AFP Carries Facts About China-Iran Ties,” Agence France-Presse (hereafter AFP), March 15, 2010; “Beijing’s \$2.5 to extend Iran Pakistan pipeline to China,” *Rupee News*, March 29, 2010, available at <http://rupeenews.com/2010/03/28/beijings-2-5-to-extend-iran-pakistan-pipeline-to-china/>; Thomas Erdbrink, “Iranians wary of deeper ties with China,” *Washington Post*, April 14, 2010; “Iran Exports to China Nearly Double,” *Mehr*, January 17, 2010; Wang Qing, “Roundup: China, Iran Sign US \$16 Billion Energy Cooperation Contract,” *Zhongguo Tongxun She*, December 22, 2006; “OPEC Nations Return to Oil Sector Investment,” *Khaleej Times*, March 18, 2010.

²¹ Willem van Kemenade, “Iran’s Relations with China and the West: Cooperation and Confrontation,” Clingendael Diplomacy Papers No. 24 (The Hague: Netherlands Institute of International Relations ‘Clingendael,’ November 2009).

²² Manochehr Dorraj and Carrie L. Currier, “Lubricated with Oil: Iran-China Relations in a Changing World,” *Middle East Policy*, vol. 15, no. 2 (Summer 2008); John Garver, Flynt Leverett, and Hilary Mann Leverett, “Moving (Slightly) Closer to Iran: China’s Shifting Calculus for Managing its ‘Persian Gulf Dilemma’,” Edwin O. Reischauer Center for East Asian Studies, Asia-Pacific Policy Papers Series, October 2009; Jon B. Alterman and John W. Garver, *The Vital Triangle: China, the United States, and the Middle East* (Washington, D.C.: Center for Strategic and International Studies, 2008).

²³ See “The Iran Nuclear Issue: The View from Beijing,” International Crisis Group, Update Briefing, Asia Briefing No. 100, February 17, 2010. This report states: “Iran tightened bilateral energy bonds in 2009 by awarding multiple major oil and gas deals to Chinese companies. It also actively sought deeper involvement in refining and distribution channels by offering Chinese companies tax breaks and discounts on raw materials purchased in Iran.”

²⁴ Such sanctions are aimed at punishing companies that sell gasoline to Iran or invest in refinery construction in Iran. Although Iran has the world’s second largest proven oil reserve, it lacks the capacity to refine its oil and hence imports as much as 40 percent of its gasoline. See Erica Downs, “Beijing’s Tehran Temptation,” *Foreign Policy*, July 30, 2009.

²⁵ See John Calabrese, “China and Iran: Mismatched Partners,” Jamestown Foundation Occasional Paper, August 2006; Willem J. H. van Groenendaal and Mohammad Mazraati, “A critical review of Iran’s buyback contracts,” *Energy Policy* 34, issue 18 (December 2006), pp. 3709–3718.

²⁶ As Downs states: “though China’s oil companies might be eager to get their foot in Iran’s door, they appear just as reluctant as other foreign companies to breach sanctions.” See Erica Downs, “Beijing’s Tehran Temptation,” *Foreign Policy*, July 30, 2009. Also see Jon B. Alterman and John W. Garver, *The Vital Triangle: China, the United States, and the Middle East* (Washington, D.C.: Center for Strategic and International Studies, 2008), p. 16. Downs adds (in a personal correspondence) that: “Yadavaran is the project to watch for Chinese foot dragging going forward because it is the largest Chinese invested project that is furthest along. . . . How quickly Sinopec continues to move forward with this project will be an indicator of both Sinopec’s assessment of political risk in Iran and whether Beijing is willing to let Sinopec develop a huge project in Iran at a time when most—if not all—other foreign oil companies are withdrawing from Iran or not making any new investments.”

²⁷ See Erica Downs, “Beijing’s Tehran Temptation,” *Foreign Policy*, July 30, 2009; John Calabrese, “China and Iran: Mismatched Partners,” Jamestown Foundation Occasional Paper, August 2006.

²⁸ Beijing also sold 50 CSS-2 intermediate-range ballistic missiles to Saudi Arabia in 1988.

²⁹ Jon B. Alterman, “China’s soft power in the Middle East,” in Carola McGiffert, ed., *Chinese Soft Power and Its Implications for the United States: Competition and Cooperation with the Developing World* (Washington, D.C.: Center for Strategic and International Studies, 2009); John Calabrese, “China and Iran: Mismatched Partners,” Jamestown Foundation Occasional Paper, August 2006; Willem van Kemenade, “Iran’s Relations with China and the West: Cooperation and Confrontation,” *Clingendael Diplomacy Papers* No. 24 (The Hague: Netherlands Institute of International Relations ‘Clingendael,’ November 2009); John Garver, Flynt Leverett, and Hilary Mann Leverett, “Moving (Slightly) Closer to Iran: China’s Shifting Calculus for Managing its ‘Persian Gulf Dilemma’,” Edwin O. Reischauer Center for East Asian Studies, Asia-Pacific Policy Papers Series, October 2009; Jon B. Alterman and John W. Garver, *The Vital Triangle: China, the United States, and the Middle East* (Washington, D.C.: Center for Strategic and International Studies, 2008). As Alterman and Garver state: “China’s support for Iranian missile and nuclear programs became a significant source of conflict in U.S.-China relations during the 1990s.”

³⁰ Jon B. Alterman, “China’s soft power in the Middle East,” in Carola McGiffert, ed., *Chinese Soft Power and Its Implications for the United States: Competition and Cooperation with the Developing World* (Washington, D.C.: Center for Strategic and International Studies, 2009).

³¹ Jon B. Alterman and John W. Garver, *The Vital Triangle: China, the United States, and the Middle East* (Washington, D.C.: Center for Strategic and International Studies, 2008).

³² SIPRI Arms Transfers Database, “SIPRI Trend Indicator Values of Arms Exports from China, 2005–2009,” available at http://www.sipri.org/contents/armstrad/output_types_TIV.html; SIPRI Arms Transfers Database, “Transfers of Major Conventional Weapons: China to Iran, 2005–2009,” available at http://www.sipri.org/contents/armstrad/at_data.html.

³³ For a recent example see Reuben F. Johnson, “Iran’s link to China includes nukes, missiles,” *Washington Times*, March 17, 2010. This story states that the Chinese Foreign Ministry has claimed that the

government was unaware of recent Chinese sales of nuclear-related equipment to Iran and forbids all illegal exports of such items.

³⁴ Conversation with Erica Downs.

³⁵ China is “a signatory to the major conventions of the NPT regime and participates in relevant multilateral bodies including: the IAEA, the Conference on Disarmament of the UN General Assembly’s First Committee and the Global Nuclear Energy Partnership.” See “The Iran Nuclear Issue: The View from Beijing,” International Crisis Group, Update Briefing, Asia Briefing No. 100, February 17, 2010.

³⁶ Chinese involvement in Tehran’s civilian nuclear program began in the mid-1980s, and included the training of nuclear technicians, the construction of a research facility, the provision of nuclear-related technologies and machinery, and the provision of nuclear reactors under IAEA safeguards. In an October 29, 1997, press briefing, U.S. national security advisor Sandy Berger stated: “We have received assurances from the Chinese that they will not engage in any new nuclear cooperation with Iran and that the existing cooperation—there are two projects in particular—will end. That is the assurance we have received.” See “China’s Nuclear Exports and Assistance to Iran,” *Nuclear Threat Initiative*, September 23, 2003, available at <http://www.nti.org/db/china/niranpos.htm>. The 1997 agreement was part of negotiations over the terms of U.S. and Chinese presidential visits occurring in 1997 and 1998. In that agreement, Beijing agreed to suspend all nuclear and cruise missile cooperation with Iran as well as cooperation in the development of “Category I” (nuclear capable) ballistic missiles. According to Garver et al., “1997 marked a major draw down of Chinese cooperation with the Islamic Republic on the most sensitive WMD capabilities.” Moreover, the authors state that: “China’s acceptance of U.S. demands in 1997 went beyond the requirements of the Non-Proliferation Treaty (NPT), to which China had become a signatory in 1992. That treaty permits nuclear cooperation conducted under International Atomic Energy Agency (IAEA) supervision. China, however, agreed to suspend all nuclear cooperation with Iran, even activities that might be permitted under the NPT.” See John Garver, Flynt Leverett, and Hilary Mann Leverett, “Moving (Slightly) Closer to Iran: China’s Shifting Calculus for Managing its ‘Persian Gulf Dilemma’,” Edwin O. Reischauer Center for East Asian Studies, Asia-Pacific Policy Papers Series, October 2009.

³⁷ Peter Enav and Debby Wu, “AP Enterprise: How Nuclear Equipment Reached Iran,” Associated Press, February 28, 2010. Also see “China’s Nuclear Exports and Assistance to Iran,” *Nuclear Threat Initiative*, September 23, 2003, available at <http://www.nti.org/db/china/niranpos.htm>.

³⁸ Robert B. Zoellick, deputy secretary of state, “Whither China: From Membership to Responsibility?” remarks to National Committee on U.S.-China Relations, New York City, September 21, 2005. Also see Shirley A. Kan, “China and Proliferation of Weapons of Mass Destruction and Missiles: Policy Issues,” CRS Report for Congress, December 23, 2009, available at <http://www.fas.org/sgp/crs/nuke/RL31555.pdf>.

³⁹ “UN Draft Resolution on Iran, May 2010,” Council on Foreign Relations, March 18, 2010; Evan S. Medeiros, “The Changing Character of China’s WMD Proliferation Activities,” paper presented at “China and Weapons of Mass Destruction: Implications for the United States,” conference sponsored by the National Intelligence Council and Federal Research Division, November 5, 1999, available at http://www.fas.org/irp/nic/china_wmd.html; Helene Cooper and William J. Broad, “Russia and China Endorse Agency’s Rebuke of Iran,” *New York Times*, November 28, 2009; Glenn Kessler and Joby Warrick, “Latest U.N. censure of Iran may start more confrontational phase,” *Washington Post*, November 28, 2009; Daniel Dombey, James Blitz, and Harvey Morris, “China and Russia face pressure on Iran,” *Financial Times*, November 30, 2009.

⁴⁰ As John Calabrese writes, “In their public remarks, Chinese officials have made explicit their opposition to Iran’s acquiring nuclear weapons and have repeatedly called upon Tehran to honor its treaty commitments and to cooperate fully with the IAEA. At the same time, they have strongly endorsed Tehran’s position that, as an NPT signatory, Iran is entitled to access to nuclear technology and to nuclear energy for peaceful purposes. See John Calabrese, “China and Iran: Mismatched Partners,” Jamestown Foundation Occasional Paper, August 2006.

⁴¹ See Dingli Shen, “Iran’s Nuclear Ambitions Test China’s Wisdom,” *Washington Quarterly* vol. 29, no. 2 (Spring 2006). Shen adds: “Even if, in the worst case, Iran has already developed nuclear weapons, it is still entitled to civilian nuclear energy as long as it has not done so while verbally committing to nuclear nonproliferation as an NPT member . . . Iran can technically develop nuclear weapons legally if it withdraws from the NPT.” For an official expression of this view, see Liu Libin and Wu Zhiqiang, “Chinese Permanent Representative to the UN Calls for Further Diplomatic Talks To Resolve the Iran Nuclear Issue,” Xinhua Domestic Service, March 24, 2007, OSC CPP20070324063001.

⁴² Philip J. Crowley, "Remarks to the Press," U.S. Department of State, Washington, D.C., February 11, 2010, available at <http://www.state.gov/r/pa/prs/ps/2010/02/136609.htm>. Crowley states: "[It is] our impression and that of the international community that Iran's nuclear intentions are anything but peaceful." Also see Philip J. Crowley, "Briefing by Assistant Secretary of State for Public Affairs P. J. Crowley," U.S. Department of State, Washington, D.C., February 9, 2010, available at <http://www.state.gov/r/pa/prs/ps/2010/02/136594.htm>. Crowley states: "We've bent over backwards to invite Iran into a process where it could engage constructively and find ways in which Iran could clarify its nuclear programs and its intentions and find a way, as with the proposal on the Tehran research reactor, where it could enjoy the benefits of a civilian nuclear program, while reassuring the international community about its nuclear ambitions."

⁴³ Hua Liming, "Please Do Not Misunderstand China's Good Wishes," *Jiefang Ribao Online*, January 26, 2010, OSC CPP20100129038031; "Transcript of PRC FM Spokesman News Conference on 24 September 09," Ministry of Foreign Affairs of the People's Republic of China website, September 24, 2009, OSC CPP20090924364001; "PRC FM Spokesman Says China Urges Flexibility on Iran Nuclear Standoff," Hong Kong AFP, January 19, 2010, OSC CPP20100119968202; Zhang Wen, "Iran Continues To Test Patience of West," *Global Times Online*, February 10, 2010, OSC CPP20100217722008; "Editorial: Tougher Iran Sanctions Not an Option," *Global Times Online*, February 11, 2010, OSC CPP20100217722016; Wang Xiangjiang and Wu Zhiqiang, "Wang Guangya Says the New UNSC Resolution Aims at Activating Diplomatic Efforts," Xinhua Domestic Service, March 3, 2008, OSC CPP20080303364005. Many Chinese assert that sanctions usually complicate negotiations, rarely work as intended, and can entail severe humanitarian consequences for civilian populations. In addition, and perhaps most importantly, although not mentioned in official statements, they are viewed by many Chinese as a tool of the developed nations (and particularly the United States) used to undermine the sovereign authority of weaker nations. See "The Iran Nuclear Issue: The View from Beijing," International Crisis Group, Update Briefing, Asia Briefing No. 100, February 17, 2010.

⁴⁴ "China calls for serious, comprehensive implementation of UN Resolution 1803," Xinhua News Service, March 4, 2008; Christopher Bodeen, "China Reverses Stance with Iran Sanctions Support," Associated Press, June 10, 2010; "Spokesman says China hopes Iran will 'properly' resolve nuclear issue," *BBC Worldwide Monitoring*, March 1, 2007; "PRC FM Spokesman Hopes IAEA Handle Iran's Nuclear Issue Based on Its Authority," Xinhua Domestic Service, September 25, 2009, OSC CPP20090925364006; Le Tian, "China Calls for Early Nuke Talks," *China Daily Online*, January 5, 2007, OSC CPP20070105064005; "Talks 'only Way' To End Iran Nuke Standoff," China Daily Online, December 25, 2006, CPP20061225150002; Sun Zifa, "Liu Jianchao: Iranian Nuclear Issue Should Not Affect Relevant Countries' Normal Economic and Energy Moves With Iran," *Zhongguo Xinwen She*, February 28, 2008, OSC CPP20080228074014. This is the best representative statement of China's overall position: Liu Libin and Wu Zhiqiang, "Chinese Permanent Representative to the UN Calls for Further Diplomatic Talks To Resolve the Iran Nuclear Issue," Xinhua Domestic Service, March 24, 2007, OSC CPP20070324063001. "Chinese FM Calls Upon Iran To Step up Cooperation With IAEA," Xinhua, March 6, 2007, OSC CPP20070306968118.

⁴⁵ Chen Weihua, "Pursuing tougher, meaningless sanctions," *China Daily*, April 12, 2010, available at http://www.china.org.cn/world/2010-04/12/content_19794826_2.htm. Also see John Garver, Flynt Leverett, and Hilary Mann Leverett, "Moving (Slightly) Closer to Iran: China's Shifting Calculus for Managing its 'Persian Gulf Dilemma'," Edwin O. Reischauer Center for East Asian Studies, Asia-Pacific Policy Papers Series, October 2009.

⁴⁶ Beijing has arguably shown a greater desire to avoid sanctions on Iran when Moscow has held a similar viewpoint. See "The Iran Nuclear Issue: The View from Beijing," International Crisis Group, Update Briefing, Asia Briefing No. 100, February 17, 2010; "Russia 'rethinks' Iran sanctions," BBC, September 24, 2009; "Obama: U.S., Russia agree Iran may face new sanctions," Reuters, 23 September 2009; and "Russia: Security Council may discuss Iran," Reuters, 5 February 2010.

⁴⁷ See Tony Karon, "What Did China Get for Backing Iran Sanctions?" *Time*, May 26, 2010; Christopher Bodeen, "China reverses stance with Iran sanctions support," Associated Press, June 10, 2010; Uzi Mahnaimi, "Israel pressures China to back Tehran sanctions," *Times (UK)*, April 4, 2010.

⁴⁸ The most notable example of this view is Yin Gang, "If Iran Stays Tough Headlong, It is Bound to End Up a Tragedy," *Huanqiu Shibao*, February 12, 2010, OSC CPP20100311710005. Yin is a research fellow of the Institute of West Asian and African Studies of the Chinese Academy of Social Sciences. He writes:

“China is a friend of Iran, but principle must be stressed even between friends. It is impossible for China not to consider the international community’s popular demand on Iran, and China also knows very well that China’s Arab friends, Turkish friends, and Jewish friends in the Middle East do not wish to see that the Iran nuclear issue ends up a tragedy. . . . Under no circumstances will China do things to please Iran and hurt the feelings of other countries, including the Arab countries. . . . The reason why China voted for the sanctions agreements within the UN Security Council framework in the past is to hope that Iran would wake up.” For more on Yin Gang’s views, see an interview of him in Wu Jiajun, “Not Very Likely That China Will Have an All-Out Confrontation With the United States Over the Iranian Nuclear Problem,” *Dongfang Zaobao Online*, February 11, 2010, OSC CPP20100225038001. For a somewhat similar view, see Shi Xiaohu, “Joining in Discussing Iran Nuclear Issue,” *Guangming Wang*, March 17, 2010, OSC CPP20100318710007. For a less critical assessment of Iran that nonetheless calls on it to “size up the situation, show flexibility, and appropriately resolve the pending problems,” see Chen Hegao and Qian Tong, “President Hu Jintao Meets Iranian President Mahmoud Ahmadinejad,” Xinhua Domestic Service, August 15, 2007, OSC CPP20070815354006.

⁴⁹ Wang Nan, “*Yilang wenti: Xifang yiwei manheng, biding hai ren hai ji*” [The Iran question: The West’s blind arrogance will harm others and harm itself], *Renmin Ribao*, February 21, 2010; Peter Lee, “China Fine-Tunes Its Iran Strategy,” *Asia Times Online*, February 24, 2010, OSC CPP20100225715019.

⁵⁰ Peter Lee, “China Fine-Tunes Its Iran Strategy,” *Asia Times Online*, February 24, 2010, OSC CPP20100225715019; Jin Liangxiang, “China Right To Be Cautious About Hasty Iran Sanction,” *Global Times Online*, March 10, 2010, OSC CPP20100311722011; “Editorial: Iran’s Nuclear Issue Cannot Be Resolved by Going to Extremes,” *Huanqiu Shibao*, September 28, 2009, OSC CPP20091229671004; Zhang Wen, “China Pushes for More Diplomacy over Iran as West Pushes Sanctions,” *Global Times Online*, March 8, 2010, OSC CPP20100308722003.

We should note that a few commentators place more equal blame on hard-line policies in both the United States and Iran. See Yang Hongxi, “Six States Actively Mediate Iran Nuclear Issue,” *Liaowang*, April 21–28, 2008, no. 74, OSC CPP20080522587001. Yang blames Iran along with the United States in a more even-handed manner than the other sources cited; and “Pragmatism Need of the Hour for Iran Issue,” *China Daily Online*, August 7, 2008, OSC CPP20080807968113.

Alterman and Garver argue, based on interviews with Chinese observers, that there is “[a] nearly universal belief in China . . . that U.S. policy in the Middle East is essentially about seizing control of that region’s oil in order to coerce countries dependent on that oil, as part of a drive for global domination. Concerns about proliferation of weapons of mass destruction, terrorism, and democratization are seen as derivative or as pretexts for interventions directed at serving this objective. This view is expressed uniformly in Chinese newspaper commentary, scholarly articles published in China, and private interviews with Chinese analysts.” See Jon B. Alterman and John W. Garver, *The Vital Triangle: China, the United States, and the Middle East* (Washington, D.C.: Center for Strategic and International Studies, 2008). Although such views are undoubtedly held to varying degrees by many Chinese observers, we doubt that they are as universal or extreme in every case as the authors indicate. That said, criticism of U.S. policies and motives is a common theme among Chinese analysts of virtually any international issue.

⁵¹ David Bandurski, “Guangming Daily: Western ‘hostile forces’ at work in Iran,” Hong Kong China Media Project, June 26, 2009, OSC CPP20090626715017; Wu Cheng, “Experiencing Iran in Iran,” *Shijie Zhishi*, February 16, 2010, OSC CPP20100316671007.

⁵² For a detailed discussion of this point, see “The Iran Nuclear Issue: The View from Beijing,” International Crisis Group, Update Briefing, Asia Briefing No. 100, February 17, 2010.

⁵³ Kang Juan, “US Tries Crude Diplomacy,” *Global Times Online*, February 23, 2010, OSC CPP20100223722001. The author characterizes such U.S. behavior as an attempt to “‘bribe and threaten’ China through its oil trade with Middle East producers.” Also see “Iran ‘solution’ a trap,” *China Daily*, February 24, 2010, available at http://www.china.org.cn/opinion/2010-02/24/content_19467035.htm. This article states: “the attempt to coerce China into siding with the US through oil trade deals is both ill-advised and ill-intentioned . . . A responsible country committed to world peace, China will never trade in its principles for economic gains. . . . China’s opposition to tighter sanctions on Iran is the natural result of its peaceful foreign policy. Linking the issue with oil deals is nothing but a trap so that some in the West could again blame China if peaceful solutions ultimately fail.”

Apparently, the Chinese government initially rejected the U.S. overture to secure increased oil supplies for China, citing technical differences between Saudi and Iranian crude. In addition, as the above articles

suggest, Beijing probably feared that such U.S.-brokered supply arrangements would give Washington leverage over China. However, one Western source states that Beijing eventually accepted a U.S. deal to increase oil exports from the UAE and other countries, presumably in response for Chinese support in the sanctions effort. See “The Iran Nuclear Issue: The View from Beijing,” International Crisis Group, Update Briefing, Asia Briefing No. 100, February 17, 2010.

⁵⁴ For example, see Mei Xinyu, “A Powerful Force,” *Beijing Review Online*, January 25–31, 2007, OSC CPP20070212721049. The author writes: “China’s energy consumption has risen rapidly . . . In the future, China’s energy supply will rely more on imports. Therefore, China will be regarded as a competitor by traditional energy-importing countries. . . . Chinese enterprises’ overseas energy exploration will cause disputes with Western energy giants, which used to dominate international gas and oil exploration. Notably, Mei is a researcher with the Chinese Academy of International Trade and Economic Cooperation of the PRC Ministry of Commerce. Also see “Editorial: Iran’s Nuclear Issue Cannot Be Resolved by Going to Extremes,” *Huanqiu Shibao*, September 28, 2009, OSC CPP20091229671004.

⁵⁵ Gong Chaowen, “Roundup: United States Criticizes China for Proliferating Weapons; Experts Rebut United States for Adopting Double Standard,” *Zhongguo Tongxun She*, July 13, 2007, OSC CPP20070713072001; and “Editorial: Talks Key to Solving Iranian Nuclear Issue,” *Global Times Online*, September 28, 2009, OSC CPP20090928722002. For a Western reference to such Chinese views, see “The Iran Nuclear Issue: The View from Beijing,” International Crisis Group, Update Briefing, Asia Briefing No. 100, February 17, 2010.

⁵⁶ Hua Liming, “Dealing With Iran’s Nuke Issue,” *China Daily Online*, May 14, 2010, OSC CPP20100514968027. Hua was China’s ambassador to Iran from 1991 to 1995 and is a contributing researcher with the China Institute of International Studies; Hua Liming, “Please Do Not Misunderstand China’s Good Wishes,” *Jiefang Ribao Online*, January 26, 2010, OSC CPP20100129038031; Zhang Wen, “China Pushes for More Diplomacy over Iran as West Pushes Sanctions,” *Global Times Online*, March 8, 2010, OSC CPP20100308722003; Hu Xuan, “Negotiation the Only Way Out of Iran Nuke Deadlock: Expert,” *China Daily Online*, December 21, 2006, CPP20061221054007; “Korean Lesson for Iran,” *China Daily Online*, April 16, 2008, OSC CPP20080416968001; “Editorial: Talks Key to Solving Iranian Nuclear Issue,” *Global Times Online*, September 28, 2009, OSC CPP20090928722002; “Editorial: Iran’s Nuclear Issue Cannot Be Resolved by Going to Extremes,” *Huanqiu Shibao*, September 28, 2009, OSC CPP20091229671004; “Editorial: Tougher Iran Sanctions Not an Option,” *Global Times Online*, February 11, 2010, OSC CPP20100217722016.

Chen Weihua, “Pursuing tougher, meaningless sanctions,” *China Daily*, April 12, 2010, available at http://www.china.org.cn/world/2010-04/12/content_19794826_2.htm. The author suggests that sanctions are used for quick political gains in the United States and that they actually just escalate tensions and harden the views of the Iranian leadership.

Ye Hailin, “China Should Not Step Up Sanctions Against Iran,” *Dongfang Zaobao Online*, March 2, 2010, OSC CPP20100307001017. Ye writes: “What are the expected benefits of Iran’s nuclear program? They are security and dignity. The Persian people have survived for several thousand years amid strong enemies, and possessing nuclear capabilities will visibly enhance Persia’s security situation from the Mediterranean Sea to the Arabian Sea, and from the Caspian Sea to the Red Sea and, at the same time, will make the Shiite Moslems a bright lantern in the entire Islamic world.”

Han Dongping, “China Should Not Support More Sanctions Against Iran,” *China Daily Online*, March 8, 2010, OSC CPP20100308968049. Han makes the interesting argument that further sanctions on Iran would provoke instability and endanger world peace more than a nuclear-armed Iran would. He writes: “China should not support more sanctions against Iran because Iran’s nuclear program would not increase any more danger for world peace, but more sanctions would pose a real danger to the world peace. First, the sanction will alienate Iranian people and government further, making them more hostile to the world. Second, more sanctions will impose more hardship on ordinary Iranian people as sanctions usually do. Third, more sanctions may embolden some countries to take more drastic measures against Iran, like bombing Iran’s nuclear facilities, which lead to escalations to the region. It had happened in the past. China does not want to play any role in any events like that.” Han is professor of history and political science at Warren Wilson College, North Carolina.

⁵⁷ Jin Liangxiang, in “Sanctions will complicate Iran nuclear issue,” *China.org.cn*, May 22, 2010, available at http://www.china.org.cn/opinion/2010-05/22/content_20096064.htm, writes:

On May 18, 2010, new draft sanctions on Iran were agreed by the five permanent members of the UN Security Council, just one day after Iran signed a nuclear fuel swap agreement with Brazil and Turkey. Any sanctions resolution passed in this context will lack legitimacy and further complicate the task of finding a solution to the Iran nuclear issue . . . It is highly likely that a fresh sanctions resolution will be passed by the UN Security Council. Though the legitimacy of the resolution will be undermined by Iran's compliance with the IAEA proposals, and its contents may be watered down, its implications will still be serious and negative. Iranians will be able to argue that compliance is not rewarded, and that Iran will never be accepted by the world no matter what it does. This will boost Iranian distrust of the international community, especially the US, discourage cooperation, and encourage intransigence. The international community has many reasons to be uneasy about the new sanctions resolution.

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"Editorial: Talks Key to Solving Iranian Nuclear Issue," *Global Times Online*, September 28, 2009, OSC CPP20090928722002; Zhang Wen, "Iran Continues To Test Patience of West," *Global Times Online*, February 10, 2010, OSC CPP20100217722008; Ye Hailin, "China Should Not Step Up Sanctions Against Iran," *Dongfang Zaobao Online*, March 2, 2010, OSC CPP20100307001017; Han Dongping, "China Should Not Support More Sanctions Against Iran," *China Daily Online*, March 8, 2010, OSC CPP20100308968049. Many Western observers also expressed doubts that China would support sanctions. For example, see Cheng Guangjin and Ma Liyao, "US Denies Report for Sanctions Deal With Beijing," *China Daily Online* in English, OSC CPP20100406167003.

⁵⁸ "Summary: China Faces Dilemma With US, Israeli Call for More Sanctions Against Iran," *Ching Pao*, April 2010, no. 393, pp. 77–79, OSC CPP20100430706005. This source argued—from a pragmatic perspective—that Beijing could not afford to offend the United States by opposing a fourth round of UN sanctions. Also see an interview with Shen Dingli in "Live Broadcast of Greater China News," Feng Huang Wei Shih Tzu Hsun Tai, April 13, 2010, OSC CPP20100414715040. Shen Dingli argued that Beijing would ultimately endorse further sanctions on Iran, because the IAEA has concluded that Tehran is developing a nuclear weapons program. Shen's conclusion was correct, although he is incorrect regarding the stance of the IAEA. It has not concluded that Iran is developing nuclear weapons. It has stated that it cannot confirm Iran's nuclear program is for peaceful purposes and has repeatedly cited Iran for failing to comply with IAEA protocols and inspections. See International Atomic Energy Agency, Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1835 (2008) in the Islamic Republic of Iran, GOV/2010/28, May 31, 2010.

⁵⁹ See Guan Qinghua, "Energy Security, Energy Openness, and International Energy Cooperation," *Dongfang Zaobao Online* in Chinese, OSC CPP20080627066003. The author writes: "lacking a systematic energy strategy, China often fails to think through what it should do and how to do what it should do. It has failed to distinguish between the friendly hand of cooperation and the evil hand of conspiracy and rejected them both. All of this has deepened the estrangement between China and other consuming nations and major energy organizations."

⁶⁰ John Garver, Flynt Leverett, and Hilary Mann Leverett, "Moving (Slightly) Closer to Iran: China's Shifting Calculus for Managing its 'Persian Gulf Dilemma'," Edwin O. Reischauer Center for East Asian Studies, Asia-Pacific Policy Papers Series, October 2009. Jon B. Alterman and John W. Garver, *The Vital Triangle: China, the United States, and the Middle East* (Washington, D.C.: Center for Strategic and International Studies, 2008). Also see "The Iran Nuclear Issue: The View from Beijing," International Crisis Group, Update Briefing, Asia Briefing No. 100, February 17, 2010, pp. 9–10. The report states: "China constantly strives to balance its interests in Iran with its more valued relations with the U.S. By engaging in a hedging strategy whereby it alternately supports the U.S./Western countries and Middle Eastern countries on various regional issues, it seeks to gain benefits from both sides. This is central in understanding China's past (and potential future) support for UN sanctions."