



Dialogue on
Globalization

BRIEFING PAPER
FES NEW YORK

Understanding Beijing's Policy on the Iranian Nuclear Issue

LIANGXIANG JIN

Iran's reluctance to unconditionally suspend its nuclear enrichment activities in late August 2006 has escalated nonproliferation concerns worldwide. What's more, North Korea's declaration that it conducted a nuclear test on October 9, 2006 has increased those concerns. All of these latest developments have posed challenges to the diplomatic efforts of the international community at large, the permanent five and Germany in particular.

As one of the P5, China's policy on this issue has also become the focus of attention. There is a wide spread feeling that China might support Iran due to its concern for energy security, which could dilute the international efforts for a resolution of the issue. True, China has significant energy interests in Iran, however, many have over emphasized the role of energy security in China's policy making. Besides energy, there are many more considerations, which include: interests in maintaining good relations with the US, dedication to a peaceful resolution, commitment to nonproliferation, and concern for sovereignty, etc. To varying degrees, all of these factors have had an impact on Beijing's policy making regarding the issue in the past, and will continue to do so in the future.

What then is Beijing's policy on the Iranian nuclear issue, and what kind of roles have these variables played in the past and what will they play in the future?

1 Adhering to a Peaceful Solution

Historically, China has always maintained its stance of commitment to peaceful solutions of international disputes, which it sees as being in the interest not only of China, but also of the world. China's policy regarding the Iranian nuclear issue follows the same pattern. Up until now, China has persistently adhered to the principle of a peaceful solution, at the bilateral and multilateral level, in Vienna and New York respectively.

It is China's position that major international issues, the Middle East issues in particular, should only be resolved through peaceful means, as stated, for example, in *The White Paper on China's Peaceful Development Road*, published on December 22, 2005 by the State Council Information Office, which says, "We should persist in settling international disputes and conflicts peacefully through consultations and negotiations on the basis of equality, work together to oppose acts of encroachment on the sovereignty of other countries, interference in the internal

affairs of other countries, and willful use or threat of use of military force."¹ As one of the nations most seriously devastated by outside invasions in modern history, China has a commitment to peace that is stronger than other major powers who have not had the same historical experience, which is in many ways enhanced by its experience of fast economic growth in a relatively peaceful international environment in the last three decades.

Punitive measures will not necessarily serve the purpose of solving problems. The US has maintained and later enhanced its unilateral economic sanctions against Iran since the Islamic revolution, but has not been able to reverse Iran's policy. The Iraq war, launched by the US in the name of anti-terrorism and counter-proliferation, only resulted in new rounds of violence in the region and even in some way has encouraged some other states to search for nuclear weapons. All along, China has stood for a peaceful solution to the Iranian nuclear issue through diplomatic means. On January 13, 2004, shortly after Iran signed the Additional Protocol to the Safeguards Agreement, the legal document granting the IAEA complementary inspection authority, the Chinese mission in Vienna stated clearly that "in addressing the remaining issues [to be clarified], the (IAEA) Board of Governors should continue, in a constructive manner, to encourage dialogue, consultations and cooperation so as to resolve the Iranian nuclear issue appropriately within the framework of the Agency at an early date."² Though China voted in favor of UN Security Council resolution 1696 demanding that Iran shall suspend all enrichment-related and reprocessing activities, the Chinese representative also argued that "dialogue and negotiations are the only way out."³

Given that it will take Tehran a rather long time to produce its nuclear weapons, even if they start now, and if Tehran really intends to weaponize its nuclear program⁴, it is reasonable to

¹ The State Council Information Office (China), *The White Paper on China's Peaceful Development Road*, December 22, 2005.

² Statement of Chinese Ambassador Zhang Yan on The Iranian Nuclear Issue at Board of Governor's Meeting, January 13, 2004.

³ Remarks by Ambassador Liu Zhenmin at the Security Council after Taking A Vote on Resolution on Iran's Nuclear Issue, July 31, 2006.

⁴ Michael Levi, Fellow for science and technology at Council of Foreign Relations, believes that it will take probably 4-5 years for Iran to get weapons-grade uranium if Iran doesn't slow down at all, and if it doesn't have any hidden facilities. With the

to believe that China will still adhere to the principle of a peaceful resolution of the issue, which is also possible since both Iran and the US have a lot of room and time to reach a compromise. This means that on the Iranian side, relevant issues are clarified and confidence building measures are taken. On the US side, this means recognition of Iran's legitimate right to peaceful use of nuclear energy. If diplomatic efforts work, changes could be expected on both sides.

Though China will stick to the principle of a peaceful resolution, it does not mean that China will particularly oppose any use of tough measures. China seldom votes in favor of a resolution leading to serious punishment, but China did vote for UN Security Council resolution 1368 on anti-terrorism after 9/11, which provided legitimacy of some sort for the use of force by the US in Afghanistan. Whether China will support such a resolution or not will largely depend on the circumstances.

2 Promoting Nonproliferation

Nonproliferation of nuclear weapons and technologies is another dimension to look at when analyzing Beijing's policy on the issue. In the last several decades, the economically prosperous China appears to have accepted the concept that the more proliferation-prone the world and the Middle East region are in particular, the less secure the world and China will be. Therefore, it is less likely that Beijing will accept a nuclear-proliferated Iran.

Since the 1990s, China has made remarkable progress in nonproliferation. China joined all major international nonproliferation regimes, passed regulations on arms trade, and joined in on other various international efforts of nonproliferation.⁵ Active participation in international non-proliferation efforts has become an important and integral part of China's overall strategy constructing a lasting, stable and peaceful international environment and promoting world peace and development.⁶

existing infrastructure known, Iran would take probably a decade to make enough weapons-grade uranium for a bomb. See "Levi: Iranian Nuclear Response Seems 'Compromise' among Factions," available at <http://www.cfr.org/publication/11348/levi.html>

⁵ Shen Dingli, "Iran's Nuclear Ambitions Test China's Wisdom," *Washington Quarterly*, Spring 2006, p.59.

⁶ Pan Zhenqiang, "Nonproliferation of Weapons of Mass Destruction: International Efforts and China's

China does indeed have significant energy interests in Iran. Since China became a net importer of oil in the 1990s, its import from Iran stayed at a level of 10-15 percent of total imports for most of those years. In 2005, China imported 14.27 million tons of crude from Iran, which is 11.2 percent of its total 127.08 tons.⁷ China also signed a Memorandum of Understanding with Iran on energy cooperation in October 2004, which includes the joint development of the Yadavaran oil field, which is thought to have a reserve of 17 billion barrels, and China's import of gas from Iran. For various reasons, the pending Iranian nuclear issue in particular, there has been no further reporting about the project in mainstream media.

Given Iran's huge oil reserve and China's increasing demand, Iran will become more and more important in China's energy security strategy. Energy cooperation will still play a role in China's policy calculations; however, it does not mean that China will sacrifice its nonproliferation commitments for its energy interests. Iran's nuclear program, if proven illegitimate, might complicate the Middle East situation and even the prospect of Sino-Iranian energy cooperation.

China, in various statements and speeches, claims that Iran's sovereignty and legitimate right to peaceful use of nuclear energy should be respected. After all, having endured a colonial system in the past, China is and always will be sensitive to sovereignty issues. On the other hand, China did make prominent efforts for Iran's compliance with the IAEA in the last several years. On January 13, 2004, the Chinese mission in Vienna maintained that Iran should cooperate with the IAEA comprehensively, and encouraged Iran to ratify protocol to the Safeguards Agreement at the earliest possible date, and continue its full cooperation with the Agency to clarify the element of doubt as soon as possible.⁸ In the run-up to the debate of a resolution on February 2, 2006, reporting the Iranian nuclear issue to the UN Security Council, China encouraged Iran to continue its full cooperation with the IAEA so as to increase the confidence of the international community in its

Responses," *World Economics and Politics*, No.8, 2006.

⁷ Customs General Administration (PRC), *Yearbook of China's Customs Statistics 2005*.

⁸ Statement of Chinese Ambassador Zhang Yan on The Iranian Nuclear Issue at Board of Governor's Meeting, January 13, 2004.

peaceful nuclear activities,⁹ and later voted for the resolution titled "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran". When the Iranian side had not yet responded positively to the requests of the IAEA Board of Governors and calls of the Security Council, China expressed its regret,¹⁰ and voted for The UN Security Council resolution 1696.

Besides all efforts to encourage and promote Iran's compliance at the institutional level, China is playing an active and positive role bridging existing divisions. China is one of the members involved in the six-party talks regarding the issue, and maintains close and frequent contact with relevant parties like The EU and The US. Worthy of special mention is the fact that China has also conducted meaningful mediation. Within only five months, The Chinese Assistant Foreign Minister Cui Tiankai has made two trips to Tehran in April and August 2006, respectively. During the last visit in August, Cui expressed the wish that Tehran should take the opportunity and give a positive (jiji) response to the package of proposals concerning its nuclear issue.¹¹ In some way, Cui's efforts have at least alleviated the tension though were not as productive as expected.

It is reasonable to believe that China, in cooperation with other major actors, will make all efforts possible to promote Iran's flexibility.

3 Playing a Responsible Role

As true as it is that China's commercial interests motivate its keeping good relations with Iran, China has even more important interests in maintaining stable relations with the US. According to statistics, in 2005, the total volume of Sino-US trade increased by 24.8%, reaching the level of \$211.6 billion, which includes China's export of \$162.9 billion and import of \$48.7 billion. Politically, Sino-US relations are the best they have been since President Richard Nixon first visited Beijing more than 30 years ago despite the bad start as a result of the air collision on April 1, 2001, as Colin L. Powell, former US Secretary of State argues.¹² What's more, the recent years have also seen some positive developments. By describing China as a stake-

holder¹³, the Bush Administration has in some way accepted China's rise and its role as a responsible power. The strategic significance of maintaining stable relations with the US is important for Beijing's modernization drive.

If judging solely from national interests, it might make more sense for China to side with the US rather than with Iran. However, as its previous behavior indicates, China neither adopted a pro-US policy by pushing Iran to the corner nor irritated the US by blocking relevant resolutions. It does not necessarily mean that its sense of responsibility prevails, but it does mean that Beijing has a special concern for its international image. As a member of the Security Council, Beijing has to pay close attention to the legitimate concerns of all the relevant parties.

In the future, its ambition to be a responsible actor will certainly continue to play a significant role in China's policy making. It is not likely that Beijing, despite its energy security needs, will tolerate Iran's serious breach of agreements and international commitments. It is equally unlikely for Beijing to maintain its good relations with Washington by supporting any tough measures against Tehran without substantial proof of illegal behavior.

A peaceful solution to the Iranian nuclear issue while keeping Iran from weaponizing its program will be the best outcome for Beijing to hope for. It is in Beijing's best interest to continue its efforts with other major actors to achieve that goal and to avoid a showdown between Tehran and Washington. Since there is a wide range of factors involved, Beijing's decision making at various stages will depend on the circumstances.

4 In conclusion

Policy making is not based solely on one single issue but on a comprehensive consideration of various concerns and responsibilities. It is even more important that policy making not be static but rather dynamic. China's stance on Iran's cooperation with the IAEA has changed a lot from the beginning, which could be categorized first as welcoming and encouraging, then promotional and finally regretful. These changes are actually based on specific developments and interactions among major actors, which Beijing's

⁹ Statement by H.E. Ambassador Wu Hailong during General Debate, February 2, 2006.

¹⁰ Remarks by Ambassador Liu Zhenmin at the Security Council after Taking Vote on Resolution on Iran's Nuclear Issue, July 31, 2006.

¹¹ <http://www.fmprc.gov.cn/chn/wjb/zjjg/xybfs/wlb/t267836.htm>

¹² Colin L. Powell, "A Strategy of Partnerships," *Foreign Affairs*, January/February 2004.

¹³ Robert Zoellick, "Whither China? From Membership to Responsibility," Remarks to National Committee on U.S.-China Relations, New York City, September 21, 2005.

policy will still continue to be dependent upon. The real policy making will be the result of comparison between various factors and interactions among major actors over a specific period of time.

Last but not least, China might play a role in the peaceful solution of this tough issue, but its capability is limited, and its role, if not marginal, is far from being decisive. The EU might have a bigger role, but it is not decisive either. The Iranian nuclear issue, in essence, is about the conflict between the US and Iran. It is only the diplomatic interaction between the US and Iran that will truly shape the direction of the solution, either to improve or to worsen the situation.

A review of the discussions and articles written about the issue shows that there has been an over emphasis placed on how to press Iran for its compliance. Iran should clarify issues demanded in various resolutions and ensure the international community of the peaceful character of its nuclear program. However, there is not enough pressure on the US to change its policy. Actually, the international community should expect the US to be more flexible.

Washington is correct in pressing Iran for clarification on the nuclear issue, but it should also be very clear about what kind of nuclear activities it will accept of Iran and which it will not. As one of the key actors, Washington has no reason to reject a direct communication with Tehran. To be more specific, the international community at large and American scholars should all promote direct talks between Washington and Tehran.

Since many mainstream US scholars¹⁴ are publicly calling for direct communication between Washington and Tehran, the Iranian nuclear issue might have a positive result, and if so, Beijing will not be pressured to make a choice.

About the author:

Mr. Liangxiang Jin is research fellow at the Shanghai Institute for International Studies (SIIS). This paper is the result of a one-month research work in New York with New York Office of the Friedrich-Ebert-Stiftung (FES) from September 15 to October 15, 2006. The author would like to thank FES for the fellowship given to him.

¹⁴ See Henry A. Kissinger, "A Nuclear Test for Diplomacy," *Washington Post*, May 16, 2006, and Richard N. Haass (President, Council of Foreign Relations), "Speaking with the Enemy," *Los Angeles Times*, September 23, 2006.

More information is available on:
www.fes.de/globalization

The views expressed in this publication are not necessarily the ones of the Friedrich-Ebert-Stiftung or of the organization for which the author works.

Friedrich-Ebert-Stiftung
Hiroshimastrasse 17
10785 Berlin
Germany
Tel.: ++49-30-26-935-914
Fax: ++49-30-26-935-959
Roswitha.Kiewitt@fes.de
www.fes.de/globalization

Friedrich-Ebert-Stiftung
New York Office
747 Third Avenue, Suite 22B
New York, N.Y. 10017
Tel.: ++1-212-687-0208
Fax: ++1-212-687-0261
fesny@fesny.org
www.fes-globalization.org