Nuclearization of Iran; the Policy of China

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Abstract
Iranian nuclear program has become a political discussion of significance in both Iran and western countries. Iran claims that it is entitled to nuclear sovereignty over civilian nuclear power and has denied that it has had a nuclear weapons program, while western governments feel the peaceful nuclear program has hidden intention of nuclear weapons. The international mediators have been making reconciliatory efforts with Iran but have met with little success. In the face of these past failures and present challenges, China, a member of UN Security Council, could be forced to consider acting with the other major powers to curb Iran's nuclear ambition. On one hand, China has been increasingly supportive of the nonproliferation of weapons of mass destruction, at the same time; China's economic boom has resulted in an energy thirst that is now affecting Beijing's foreign policy. China's rise has brought its multifaceted national interests to the fore including securing cooperative relations with other major powers, developing peaceful relations with neighbors including Iran, and gaining access to reliable resources to sustain the nation's growing economy. Thus Iran's nuclear case presents China's leaders to demonstrate their ability to balance their domestic interests with their international responsibilities as a growing global power. Under the circumstances China's support for Iran's nuclear program has become one of the most talked topics in the international arena. This article mainly aims at discovering the main factors behind China's support for Iran's nuclear program. It also includes understanding Iran's nuclear motivations and aspirations with a view to calculate Beijing's stand.

Keywords: Nuclear policy, Iran, China, NPT, IAEA, United States, European Union, UN security council.

1. Introduction

Iranian desperation for nuclear power has become a political discussion of significance in both Iran and western countries. A considerable disjunction emerges between the political views of Iranians and that of the west. The Iranian public-nearly all political parties of Iran are unified on the point that Iran is entitled to nuclear sovereignty over civilian nuclear power and has denied that it has had a nuclear weapons program, while western countries feel the program has hidden intentions of nuclear weapons. The International Atomic Energy Agency (IAEA) has not been able to present definitive evidence of an Iranian nuclear weapons program over the past two decades (IAEA Statements, GOV/2003/40, GOV/2004/60, GOV/2005/67). Meanwhile, in the 2002 State of the Union speech, US President George W. Bush labeled Iran as part of the “axis of evil” alongside North Korea and Iraq (The White House, 2002). The European Union-3 (France, Germany, and the United Kingdom) have been making reconciliatory efforts with Iran but have met with little success (Christopher and Roula, 2005, p. 7). The permanent members of the UN Security Council (P-5) and Germany could lead the Security Council to consider the matter unless a settlement can be reached.

China-a permanent member of UN Security Council (UNSC), has been increasingly supportive of the nonproliferation of weapons of mass destruction (WMD), eager to be viewed as a “responsible
2. Iran’s Nuclear Ambitions and Motivations

Iran has a long history of nuclear development. As early as 1957, Iran and the US signed a civil nuclear cooperation agreement as part of the US Atoms for Peace program, which provided technical assistance and leased several kilograms of enriched uranium (Department of State Bulletin, 1957, p. 629). As a member of the Nuclear Non-Proliferation Treaty (NPT) since its opening in 1968, Iran claims the right to use nuclear energy for peaceful purposes. In 1974, Iran completed a comprehensive safeguards agreement with the IAEA.

The geopolitical developments in the early 1970s (the Arab-Israeli conflict and the subsequent oil crisis) impelled the Shah’s government to accelerate their nuclear program. The Atomic Energy Organization of Iran (AEOI) founded in 1974 and announced an ambitious plan to build 23 nuclear power plants to generate 23,000 MW of nuclear energy within 20 years (Poneman, 1982, p. 86, 92). The US and the administration of Gerald Ford in particular, together with French and German companies, were actively engaged in Iran’s nuclear programs, supplying Iran with the different components of the nuclear fuel cycle and even training Iranian nuclear scientists. Considerable progress was achieved in constructing two nuclear reactors in Bushehr. Although these countries sought to help Iran develop nuclear energy rather than nuclear weapons, the Shah clearly had nuclear weapons in mind. Speaking in September 1974, the Shah remarked

“The present world is confronted with a problem of some countries possessing nuclear weapons and some not. We are among those who do not posses nuclear weapons, so the friendship of a country such as the United States with it’s arsenal of nuclear weapons…is absolutely vital.” (Cottrell & Dougherty, 1977, p. 3)

These nuclear activities were halted and all assistance from the West was effectively stopped during and after the political turmoil in Iran in the late 1970s, which resulted in the removal of the Shah with the revolution in 1979. The new Islamic regime, led by the Supreme Leader Ayatollah Ruhollah Khomeini, showed little interest in their predecessors’ aspirations. At the time of Iran-Iraq war in 1980s, constructions at Bushehr were bombed and destroyed by Iraq. On the other hand, Israel’s bombing of Iraq’s Osirak nuclear facility in 1981, may have also provided disincentives for Tehran to develop its nuclear program further. In 1983, Iran declared restarting of its nuclear program with the help of China and India (Middle East Executive Reports [MEER], 1983, p. 17). Tehran developed long-term...
cooperation agreements with Pakistan (in 1987; in mid-1990s, Iran also acquired components of P-1 centrifuges and blueprints of more advanced P-2 centrifuges from the A.Q. Kahn network) and China (several agreements between 1990 and 1992). In the early 1990s, two significant international events affected Iranian national security in major ways. The fall of the Soviet Union that pushed the former superpower back from Iran's border and lessened the chances of an invasion into Iran. Ironically, the end of the Soviet threat increased the threat from the US. The second was the Iraqi invasion of Kuwait in 1990 and the subsequent gulf war of 1991. The US's response to the invasion into Iraq caused its defeat. Though Iraq had been defeated, but the fear of US intervention against Iran remained.

The IAEA pointed out in findings published in November 2004 that Iran has neglected to report on its nuclear program "in a number of instances over an extended period of time," thereby failing to meet the obligations under its safeguards agreement (IAEA statement, GOV/2004/83). Although the IAEA still has not concluded that Iran must have been pursuing a nuclear weapons program, many within the international community take it as further proof that Iran has engaged in a secretive nuclear program. Especially after Iran's submission to the IAEA in October 2005 of its nuclear history of the quantity of centrifuges and other nuclear technologies that it purchased from the nuclear black market in the 1980s, Tehran's position is growing increasingly vulnerable. In an attempt to justify Iran's nuclear moves, former Iranian president Ali Akbar Hashemi Rafsanjani indicated in March 2005 that Iran indeed had engaged in an intentional clandestine nuclear buildup. He reinforced the claim, however, that it was only for peaceful purposes (Jufang, 2005, p. A15). Iran has already started enriching its stockpile of low enriched Uranium to 20 percent from the mid of 2010.

3. Chinese Involvement in Iran's Nuclear Program

China has had an extensive nuclear trade relationship with Iran, which has been contributing to the development of Iran's nuclear program. While Beijing regards its nuclear cooperation with Tehran as legitimate and in compliance with IAEA safeguards, Washington and its western allies has viewed such activities as contributing to Iran's covert nuclear weapons program. This cooperation dates back to the mid-1980s, when China began training Iranian nuclear technicians in China under a secret nuclear cooperation agreement (NCA), assisted in the construction of Iran's primary research facility, located at Isfahan, and also agreed to supply Iran with sub-critical or zero yield nuclear reactors— all under IAEA safeguards (Mednews, 1992). In 1991, China agreed to supply Iran's first nuclear reactor, a 20 MW research reactor (Hibbs, 1992, pp. 5-6). However, under US pressure, China later cancelled the deal. In September 1992, China and Iran signed a NCA and China announced its intent to supply two 300 MW pressurized water reactors to Iran, to be completed within ten years (Kan, 1992, pp. 1-13). But in October 1992, China canceled the deal to supply Iran with the 20 MW reactor for "technical reasons," but many suspected the cancellation came in response to US pressure. The cancellation of this deal, however, by no means ended Sino-Iranian nuclear cooperation. Throughout the 1990s, China continued to discuss the proposed sale of two 300 MW reactors and also assisted with the construction of Iranian uranium enrichment and conversion facilities. But in September 1995, China indicated that "commercial negotiations" were still ongoing even though an agreement had already been signed (Albright, 1995, pp. 21-26). Later that month, Chinese Foreign Minister Qian Qichen reportedly told US Secretary of State Christopher that China canceled the 300 MW reactor sale (Sciolino, 1995, pp. A1, A3). It is unclear how much of a role US pressure played in China's decision to cancel the sale.

In the late 1990's the US objected to China's assistance in the construction of Iranian uranium enrichment and conversion facilities, particularly a uranium hexafluoride (UF6) plant allegedly being constructed in Iran by China. Both of Iran and China denied that any such transfer had taken place. On 30 October 1997, it was reported that Chinese Foreign Minister Qian Qichen, in a confidential letter to US Secretary of State Madeleine Albright, pledged that China will provide no new nuclear assistance to Iran. China will complete two existing areas of cooperation: the construction of a zero power research reactor and a zirconium cladding production factory. According to US officials, "there would be no fuel cycle-related goods or materials exported to Iran (by China)" (Hibbs and Knapi, 1997, pp. 3, 4). The CIA verified in a 1998 report to Congress that in 1997 China had halted all cooperation with Iran related to building a uranium conversion facility. But recent media reports citing intelligence sources reveal some continued Sino-Iranian nuclear cooperation activities. An unclassified CIA report to Congress released in February 2000 suggests that China's October 1997 pledge not to engage in any new nuclear cooperation with Iran "appears to be holding."

From the beginning of 21st century Beijing has intended to strengthen its ties with Tehran given
the growing importance of the oil-rich Persian Gulf, as China’s reliance on Middle East/Persian Gulf oil increases. The US and several European countries have accused China of circumventing sanctions against Iran by selling dual-use metals included tungsten copper, aluminum and titanium sheets that Iran could use to manufacture advanced weaponry (Simpson and Solomon, 2008). China claimed that China has strictly adhered to UN limits on trade with Iran. Some analysts believe that China may have subverted sanctions by selling Iran metals in forms not under sanction; for example, China could legally provide Iran with tungsten copper in powder form, but not in ingot form (Simpson and Solomon, 2008). In June 2003, an IAEA report cited Iran for failing to report 1.8 tons of natural uranium it imported from China in 1991 (Frantz, 2003). The possible scopes and an overview of Chinese activities in the nuclear program of Iran are as given below.

Table 1. Chinese activities in the nuclear program of Iran

<table>
<thead>
<tr>
<th>Nuclear Technology/Activity</th>
<th>Relevance to Nuclear Weapons Program</th>
<th>Reported Area of Chinese Assistance to Iran</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miniature (27 kW) subcritical neutron source reactor and Heavy water zero-yield training reactor at Isfahan site</td>
<td>General nuclear research and training</td>
<td>Supplied by China to Iran (1990) (Eisenstadt, 1996, pp. 2-7)</td>
</tr>
<tr>
<td>Small calutron at Isfahan site</td>
<td>Calutrons can be used to enrich uranium for weapons fuel, but the IAEA found that the Isfahan calutron was too small and did not appear to be part of a weapons program</td>
<td>Supplied by China to Iran (1987, 1992) (Mednews, 1992)</td>
</tr>
<tr>
<td>HT-6B Tokamak nuclear fusion reactor at Azan University</td>
<td>No known direct connection to weapons program</td>
<td>Facility built and tested in cooperation with China (1993) (FBIS-CHI-95-078, 1995).</td>
</tr>
<tr>
<td>300 MW pressurized water power reactors</td>
<td>Reactors could be used to produce fuel rods, which can be used to make fissile material for weapons</td>
<td>China agreed to provide the reactor, but in 1997 canceled the deal in exchange for the implementation of the US-China NCA (Nuclear Fuel, 1997, p. 3).</td>
</tr>
<tr>
<td>Uranium hexafluoride (UF6) conversion plant</td>
<td>Conversion of milled uranium ore into UF6 gas is a key step in the uranium enrichment process</td>
<td>In 1994, China agreed to supply Iran with the UF6 plant (Iran Brief, 1995, p. 11). The deal was canceled after the October 1997 summit which facilitated the US-China NCA to be implemented (Nuclear Fuel, 1997, p. 3).</td>
</tr>
<tr>
<td>Calutron, located at Karaj</td>
<td>Could be used to enrich uranium for weapons fuel</td>
<td>Supplied by China to Iran (1992) (FBIS-CHI-95-078, 1995 A)</td>
</tr>
<tr>
<td>Assistance at other stages of the nuclear fuel cycle, including: -Uranium mining -Uranium milling -Fuel fabrication</td>
<td>Development of indigenous fuel cycle facilities enhances Iran’s ability to indigenously produce weapons-grade nuclear material Many of these activities also have civilian or commercial applications</td>
<td>China has reportedly provided technical assistance to Iran in all these areas (Albright, 1995, pp. 21-26)</td>
</tr>
</tbody>
</table>
4. China’s Stand over Nuclear Program of Iran in the International Arena

China has been showing support for Iran’s right to a peaceful nuclear program. At the same time it has also supported some of the UNSC resolutions (UNSCR) against Iran’s nuclear enrichment program (Fars News Agency, 2008). China abstained from voting in the IAEA Board of Governors in 2005 and voted in favor of sending the issue to the UNSC in 2006 (China Daily, 2005). Like Russia, China voted for UNSCR 1696, as well as all of the sanctions resolutions (UNSC Press Release, 2007). China has also called for flexibility and patience in negotiating the issue. Chinese Foreign Ministry Spokesman Liu Jianchao said, “We believe that sanctions, especially unilateral sanctions, are of no help” (Fars News Agency, 2008). China wants to improve its relationship with Iran, especially when there is no persuasive evidence that Iran has used these programs for nuclear weapons development as well as it wants to maintain the relationship with other major powers. China insists that NCA with Iran are for peaceful purposes only and that China has pledged to cease all nuclear transfers and assistance to foreign nuclear facilities not subject to IAEA inspection. In addition, since all known Iranian nuclear facilities are under IAEA monitoring, Beijing views US demands that China suspend all its nuclear cooperation programs with Iran as unreasonable and contrary to Article IV of the NPT.

At the September 2009 UN gathering, China and Russia agreed to support President Obama in putting the UN on record against the spread of nuclear weapons. Chinese Deputy Ambassador Liu Zhenmin said that the UN should only deal with general non-proliferation matters, however, and should not address specific cases (Varner and Zacharia 2009). The group statement will therefore not mention the individual cases of Iran. In September 2009, the UNSC unanimously passed a resolution laying out military and diplomatic safeguards against the use of civilian nuclear programs for military purposes. The resolution also states that any country that halts IAEA inspections will be subject to UNSC safeguards (Weisman, 2009). Despite China voting in favor of this resolution, Chinese Foreign Ministry spokeswoman Jiang Lee reiterated China’s position that sanctions are not the appropriate method to deal with Iran’s nuclear enrichment (Payvand News, 2009). China voted in favor of the November 2009 IAEA resolution that called for “full cooperation” of Iran to clarify its nuclear program. In December 2009, China expressed hope that Iran would work with the IAEA to seek a “proper solution to the Iran nuclear issue.” Chinese Foreign Ministry spokesman Qin Gang made remarks saying the China’s vote on the issue was emblematic of China’s position on the issue and its desire for Iran to resolve the issue through negotiation (Xinhua, 2009). In December 2009, a meeting by the P5 plus Germany on Iran’s nuclear program had been canceled due to China’s opposition (The Washington Post, 2009). In late December, representatives from China, along with other P5+1 members, adjourned their telephone consultation about Iran’s nuclear program but did not announce when they will ask the UNSC to consider measure to increase pressure on Iran (Wall Street Journal, 2009). In the early part of January 2010, Iranian Foreign Minister Manouchehr Mottaki warned the West that it had one month to accept Iran’s counterproposal to the October UN offer, after which time Iran would enrich its stockpile of low enriched uranium to 20 percent (New York Times, 2010). So it is clear that the position of China on the issue is supporting Iran’s peaceful nuclear program as well as maintaining relationship with the US and other countries who opposed the Iranian program.

5. China’s Considerations

China has been a long time ally of Iran and a major buyer of Iranian oil and gas, subsequently a strong supporter of Iran’s peaceful nuclear program. Regarding Iran’s nuclear development, Beijing’s calculations are complex, intriguing and interwoven interests. In reality, Beijing has its own agenda toward Iran and the Middle East. China has been on record opposing UN sanctions against Iran over the years. On September 6, 2008, Chinese President Hu Jintao urged world powers to show flexibility over Tehran's nuclear program, when he met President Ahmadinejad in Beijing. Hu said China respected Iran’s right to the peaceful use of nuclear energy and called for further diplomacy.

“At present, the Iran nuclear issue is faced with a rare opportunity for the resumption of talks, and we hope all parties concerned could seize the opportunity and show flexibility to push for a peaceful settlement of the issues, China, as always, will be committed to pushing for the settlement of the issues through peaceful negotiations, and will continue to play a constructive role toward this end” (Xinhua, 2008).
On the other hand, by agreeing to limited sanctions, China wanted to show the US and the international community that China is a “responsible stakeholder” on the issue of nuclear non-proliferation, while hoping to reduce the threat of a US or joint US-Israel armed attack against Iran. China shares some common concerns with Iran. Moreover, Iran can provide China with energy, which would serve Beijing’s core national interest. In reality, many factors persuaded China following the supportive policy towards Iran’s nuclear issue.

5.1. Respecting Sovereignty of a Nation

Sovereignty is a very important to the view of China. Recurring foreign intrusions since the mid-nineteenth century have made the Chinese government sensitive to the importance of sovereignty and independence. Its inability even today to reunify the country has reinforced this psyche, increasing Beijing’s sensitivity to external interference in its internal affairs. Therefore, 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. Beijing has supported the IAEA view that, before Tehran would ever be granted rights to a full nuclear fuel cycle, it has to accept accountability for its past nuclear program. Even if Iran had never joined the NPT, China would still have no reason to oppose Iran’s civilian nuclear program. No international laws have ever abandoned any states from the peaceful use of nuclear energy. The only restraints imposed on civilian nuclear facilities of non-nuclear NPT member states are the IAEA’s nuclear safeguards. According to current international legal arrangements, Iran has the right to use nuclear power for peaceful purposes. 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. Furthermore, no states are involuntarily banned from developing nuclear weapons as part of its national defense, with the exception of Iraq, which was deprived of the right to develop nuclear weapons by UNSCR 687 in 1991. Although the norm of nuclear nonproliferation is nearly universal, the decision to join the NPT remains a sovereign matter. Article X of the NPT was specifically created to protect national sovereignty through the right of withdrawal, in case a member state came to believe that remaining in the treaty would harm its national interests. As a member of the NPT, Iran cannot build nuclear weapons when it still officially commits to nuclear nonproliferation. If Iran is found to have violated its commitment, the international community will be forced to take action. While IAEA still does not conclude evidently that Iran is having a nuclear weapon program, its' sovereign right to peaceful use of nuclear energy should be honored.

5.2. Historical Cooperative Relations with Iran

China-Iran relations dated back over many centuries. The Persians had various contacts with China, and the two lands were connected via the Silk Road. Both empires benefited from the trade through Silk Road and shared a common interest in securing that trade. After the Islamic conquest of Persia, it continued to flourish. The Abbasid Caliphate which ruled Persia from 751 to 1258 AD was in dispute with the Tang Dynasty (618-907) of China for control of the Syr Darya region during the Battle of Talas in 751 AD. After the Abbasids victory in the battle, relations again improved and there were no more conflicts between China and the Arabs. These early links set the stage for the ties between Beijing and Tehran which we see today. Since the ouster of the Shah of Iran in the 1970s, Beijing has viewed the Islamic Republic as a potential political ally and has sought to cultivate a strategic partnership with Teheran. In addition to being a major source of energy, Iran is an important geopolitical player, capable of playing a leading role in the diplomatic balance in the Gulf region and Middle East, hence a highly valuable partner for China. Both China and Iran share the belief that "the enemy of my enemy is my friend," and have cooperated to challenge and counterbalance what they see as attempted US hegemony in the region. Both the Iran and China developed a cooperative bilateral relation between them for mutual benefits.

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9 Silk Road was the most important pre-modern trade route linking China, Central Asia, Persia, Western Asia, and Europe. A 19th century German scholar named the network of trails the Silk Road for the precious Chinese cloth.
10 Abbasids, a dynasty of caliphs who ruled the caliphate of Islam from 750 until 1258 AD with its capital in Baghdad.
11 Syr Darya (Persian Sihun; ancient Yaxartes), one of the major rivers of Central Asia, flows generally west through Uzbekistan, Tajikistan, and Kazakhstan.
5.3. Potential Geo-Political, Diplomatic and Military Relationships

China and Iran have been building a potential political relationship based on economic and regional cooperation. In the joint trade conference held in Tehran in May 2009, Chinese vice Minister of Commerce Chen Jian expressed his country’s willingness to increase trade and improve bilateral interaction. The conference was attended by over 500 Iranian and Chinese officials and businessmen (China View, 2009). Iran joined the Shanghai Cooperation Organization (SCO) as an observer in 2005 and submitted a request in March 2008 to join as a permanent member (Beehner and Bhatacharji, 2008). In addition, Iran supported Beijing’s one-China policy and applauded China’s recent anti-secession law, which explicitly stated China’s rejection of an independent Taiwan (Fars News Agency, 2008). Chinese President Hu Jintao stated that “Tehran and Beijing should help each other to manage global developments in favor of their nations otherwise the same people who are the factors of current international problems will again rule the world” (Iranian Students News Agency, 2009).

Following July 2009 ethnic riots in China’s Muslim populated Xinjiang province, Iranian Foreign Minister expressed support for “the rights of Chinese Muslims” (Press TV Online, 2009). In a July 22 statement, the charge d’affaires of the Chinese Embassy in Tehran, Chen Weiqing, insisted that the June riots in Xinjiang were encouraged by foreign separatist groups and were unconnected to religious or ethnic issues (Mehr News Agency, 2009). On July 27, 2009, Iranian Foreign Ministry Spokesman Hassan Qashqavi balanced the two stating that “we hope Muslims rights would be considered as well as rights of other ethnic groups,” however condemned international interference in China’s internal affairs (Iranian Students News Agency, 2009). On October 15, 2009, Chinese Premier Wen Jiabao stated that China would strengthen ties with Iran saying “the Sino-Iranian relationship has witnessed rapid development, as the two countries leaders have frequent exchanges, and cooperation in trade and energy has widened and deepened” (Reuters, 2009). Even as the UNSC placed more sanctions on Iran, China and Iran’s bilateral trade and diplomatic relations continued to increase and widened in more recent years.

Transfer of arms and weapons technology is a major concern between Iran and China. In some cases, Beijing has adopted an "arms for oil" formula, providing weapons in exchange for oil from Iran. China’s extensive sales to Iran since the 1980s have bolstered Iranian military and weapons production capabilities considerably, with far reaching consequences for the balance of power in the Middle East. Iran has been alleged for sponsoring terrorist groups in Iraq and is a well-known patron of Hezbollah guerrillas in Lebanon (and Syria), (Timperlake and Triplett, 1999, pp. 73 and 108) hence a major threat to Israel as well as the US ships and troops in the Persian Gulf. In the 1980s, PolyGroup, a Chinese arms company controlled by the People’s Liberation Army (PLA), exported more than $1 billion worth of Silkworms to Iran (Newsweek, 1988). The Chinese Eagle Strike, a much more sophisticated and dangerous weapon, succeeded the Silkworm in the 1990s. The new cruise missile has two versions, a solid-fuel, rocket-powered model (designated C-801 by NATO) and a longer-range turbojet-powered model (C-802). In 1996, Iran obtained Houdong fast patrol boats equipped with the C-802 from China (Gertz, 2000, p. 104). Iran has a large number of Chinese made C-801 and C-802 anti-ship missiles deployed in coastal batteries along the eastern shore of the waterway in the Strait of Hormuz, the only way into and out of the Gulf (Gertz, 2000, p. 104). In 2008, Iran also test-fired its Shahab-3 missile, which it says put Israel within range (Khaleej Times, 2008) and the longer-range versions, the Shahab-4 and 5, are under development with China’s assistance. Whereas Beijing has vehemently denied the selling of WMD to Iran, international intelligence agencies have collected information that identifies China as the world’s “leading proliferator” (Timperlake and Triplett, 1999, pp. 98-99). On June 25, 2008, the top Asia policy official at the Pentagon told the House of Armed Services Committee that Chinese firms have repeatedly violated UN sanctions which ban the sale of weapons, military equipment and nuclear technology to Iran, and “China’s willingness to cooperate on these is uneven” (Agence France Presse, 2009).

Many times, the US has imposed sanctions on Chinese companies for selling Iran weapons and weapons-related products. Manhattan District Attorney (DA), Robert Morgenthau recently uncovered illicit Iranian finance and procurement network providing evidence that Iran is attempting to produce WMD. In a case against a Chinese company attempting to thwart financial sanctions against Iran, the DA uncovered a listing of items used for converting uranium into plutonium and a plethora of materials used for long-range missile production (Wagner, 2009). The Senate Foreign Relations Committee corroborated Morgenthau’s findings and stated Iran could have enough weapon-grade material to produce a bomb in just six months (Wagner, 2009). Therefore, it may be said with confidence that China herself as well as many of her companies have been providing weapons and weaponry technology to Iran for years despite of different sanctions.
China and Iran enjoy an extensive economic relationship even despite UNSC sanctions imposed on Iran with the aid of China's vote. The Middle East has been the major source of China's energy; Iran in particular has become indispensable to China's energy security. China is Iran's top oil market, and Iran is China's third-largest oil supplier. In 2004, China imported 122.7 million tons of crude oil, surpassing Japan to become the world's second-largest energy-consuming state (Oriental Morning Post, 2005, p. A13). China and Iran are also preparing for various other forms of closer energy cooperation. On October 28, 2004, China signed a Memorandum of Understanding with Iran that awarded Sinopec, China's second-largest oil giant, the rights to participate in developing Yadavaren, an Iranian oil field, in exchange of purchasing 10 million tons of liquefied natural gas (LNG) over 25 years (China Daily, 2004). Yadavaren, as one of the world's largest undeveloped oil fields, would have a total production capacity of around 300,000 barrels per day, half of which would eventually be exported to China. Only half a year earlier, in March 2004, state oil trader Zuhui Zhenrong also signed a preliminary deal to import more than 110 million tons of LNG from Iran over 25 years for $20 billion (China Daily, 2004). In 2008, the China National Petroleum Corporation (CNPC) and the National Iranian Oil Company (NIOC) signed a $1.76 billion deal to develop Iran's North Azadegan oil field, which could produce upwards of 75,000 barrels of oil per day by 2012 (Fars News Agency, 2008A). In March 2009, Iran and China signed a $3.2 billion gas deal to build a line to transport liquid Iranian gas from the South Pars Gas Field (Associated Press, 2009). Soon after in May 2009, at a joint economic conference in Tehran, the two countries signed a number of agreements totaling $17 billion in economic cooperation (Press TV, 2009). In June 2009, CNPC signed a $5 billion gas deal with Iran to develop Iran's South Pars Gas field (IRNA, 2009). China agreed to several of Tehran's investment requests in July 2009, offering to construct ten offshore jack-up drilling platforms, seven land drilling rigs, and two float cranes. These projects will total $2.2 billion (IRNA, 2009A). Energy cooperation increased further in August 2009, when China agreed to a $3 billion deal to expand Iran's Abadan and Persian Gulf refineries (Fars News Agency, 2009). In September 2009, China increased its petroleum supply to Iran up to one-third of total Iranian petroleum imports (Financial Times, 2009). Sinopec and CNPC have also signed $4 billion deals with Tehran to pump more oil out of Iranian oil fields (Financial Times, 2009). In November 2009, Sinopec signed a tentative deal to provide $6.5 billion in financing for oil refinery projects in Iran (Reuters, 2009A).

Beyond the energy sector, bilateral trade between the two nations according to the Iranian Chamber of Commerce, Industry and Mines, reached over $27 billion in 2008, a 35% growth over 2007 (Reuters, 2009A). China is already Iran's second-largest trading partner, behind only the UAE (China Brief, 2008). More than 100 Chinese companies are now operating in Iran (Fars News Agency, 2009A). As Western countries have decreased their trade and investment in Iran due to sanctions, China, Russia and some other countries have stepped into fill the void. At the same time, Iran is an important source of outsourcing for China. Ninety-five percent of Iran's motorcycles, for example, are manufactured in China. Iran is also China’s biggest overseas market for large projects and labor export. Currently, about 120 Chinese projects are being implemented in Iran, while hundreds of new projects are currently being negotiated between the two countries, involving tens of billions of dollars. Given China's increasingly closer energy and economic ties with Iran, Beijing is caught in a dilemma vis-à-vis Iran's uranium conversion. On one hand, Iran's uranium conversion raises the issue of the necessity of such nuclear fuel independence, especially considering Iran had tried to cover up this program. On the other hand, because Iran has a higher stake in trade with China, Beijing now has a greater ability to influence Tehran if it is willing to exert its leverage. Because Iran's nuclear program seems to be of vital interest to Tehran, China must now decide whether to risk its energy and economic interests and join the international pressure group. China’s sustained, rapid economic growth for nearly three decades has resulted in a strong demand for energy resources. Thus Beijing's foreign policy in particular towards Tehran is largely influenced by the strong economic consideration between them.

5.5. Common Concerns and Rationality in International Affairs

The leaders of China and Iran feel that they are the proud heirs to two great and ancient civilizations that have been humiliated and made victims of Western imperial aggression. Although both of China and Iran have different political systems and ideologies, they carry out independent foreign policy and are not willing to be manipulated by the big nations in the world. They believe that Washington's "hegemonism" represents the unjust continuation of long-standing Western efforts to keep them weak and subordinate
(Garver, 2006, p. 5). Hence, Sino-Iranian relations are bound by what is called a ‘kinship of nationalisms’ (Calabrese, 2006). China seeks to meet all the internationally disputed issues as like nuclear issue of Iran with rationality irrespective of caste and creed. As a member of NPT, Iran preserves the legal right to develop nuclear power for peaceful purposes. Iran more than once reiterated that it has had a hidden nuclear weapon program, but till now neither they nor IAEA disclose any proof. So the issue should be solved through negotiation within diplomatic efforts on the basis of rationality.

5.6. Promoting Nonproliferation

As a member of the NPT, China is obliged to support the nonproliferation of nuclear weapons. It has committed not to transfer nuclear weapons to non– nuclear-weapon states and non-state actors, not to assist any non–nuclear weapon states in developing nuclear weapons. Since the early 1990s, China has made remarkable progress in nonproliferation. It joined the NPT in 1992 and the Comprehensive Test Ban Treaty (CTBT) in 1996. Throughout the past decade, China strengthened national export control systems for nuclear, chemical, and biological weapons. China also joined the NSG in 2004, cutting nuclear relations with those refusing to join the NPT. Regionally, as the Chinese economy continues its rapid growth and consequently its’ interest in the Middle East is also expanding; China needs a peaceful and stable Middle East. A more proliferation-prone environment complicates and likely harms China’s interests. Beijing appears to believe that the emergence of a regional nuclear power or a nuclear arms race in the region would destabilize the Middle East and undercut China’s pursuit of energy security. The risk of the transfer of nuclear technologies by Iran is also a major concern. After his first speech at the UN on September 14, 2005, the new Iranian president, Mahmoud Ahmadinejad, met with Turkish Prime Minister Recep Tayyip Ergodan and offered to share “peaceful nuclear energy” with Islamic countries (Xinhua Daily Dispatch, 2005, p. 4). Today, ample evidence indicates that Iran has acquired centrifuges from the A. Q. Khan network (Albright and Hinderstein, 2005, pp. 111–128). The fear of Iranian transfer of such technology to other Islamic actors worries both Beijing and Washington.

5.7. A Responsible Stakeholder

China’s policy in recent decade might be giving nonproliferation a higher priority. China does not want to see nuclear proliferation in the Middle East. In North Korean case China has been unwilling to pursue through the UNSC for fear that a sanction may disturb regional stability. Under the same logic, China prefers a peaceful settlement of Iran’s nuclear case. However, some differences between the North Korean and Iranian cases are obvious. Pyongyang has acquired nuclear weapons openly and legally outside of the NPT, while Iran remains in the NPT and still accepts IAEA safeguards. In this case, China’s foremost concern is energy security. China’s leaders have also tried to triangulate their various interests with Washington and Tehran. If the UNSC debates the issue, China will be forced to make a difficult choice: support sanctions on Iran, damaging Beijing’s energy ties with Tehran; veto any measure, frustrating Washington; or play a passive role of abstention without a clear position, diminishing China’s role as a gradually more influential actor on the world stage. In the case of abstention, if a sanctioning resolution were passed, as a responsible stakeholder China would have to observe it. In the end, the only way for Beijing to gain immunity from these pressures is by keeping the UNSC from taking action in the first place. The way to do that is Iran should be more cooperative with the IAEA. China and Iran have consulted frequently on bilateral ties and Iran’s nuclear program. Iran’s foreign minister, Manouchehr Mottaki, visited Beijing on October 13–14, 2005, to launch talks on the nuclear issue. In between, Chinese foreign minister Li Zhaoxing reciprocally visited Iran on November 6, 2004, where he was quoted as saying that China was “opposed to” referring Iran’s case to the UNSC for fear of complicating the issue (China News, 2004). On August 12, 2005, China again expressed that it would not support moving Iran’s nuclear case from Vienna to New York. (Oriental Morning Post, 2005, p A11) In addition to the energy incentives, China’s leaders fundamentally believe that conflicts should be resolved through a political and consultative manner, considering the legitimate interests of all concerned parties. If the IAEA could not resolve the Iranian issue, these same issues likely could not be peacefully resolved in the UNSC. Therefore, Beijing insisted that the matter be settled within the IAEA framework.
5.8. China’s Interest in the Middle East

Beijing’s policy towards Iran epitomizes its policy towards other major states in the Middle East, with some variations. China’s propaganda mainly focused on its revolutionary credentials, presenting China as the natural ally of the anti-colonial Arab states. As the China grew in economic and diplomatic strength, Beijing became increasingly keen on expanding its influence and asserting its interests in the region, seeking to shape geopolitics in its favor. China has generated major policy priorities in the Middle East with a view to secure energy resources, to pursue investment opportunities and consumer markets for Chinese goods.

Arms sales have been a very effective instrument in Beijing’s efforts to make inroads into the Middle East. In addition to earning foreign exchange, it has helped China to foster diplomatic and strategic ties with Iran, Syria and Saudi Arabia. During the Cold War, Syria maintained close ties with the Soviet Union. But in the waning days of the Cold War, Moscow’s refusal to augment Syria’s missile capabilities provided an opening for China to export ballistic missile systems to Syrian in the late 1980s. This was a significant breakthrough for the Chinese military diplomacy in the Middle East (China Brief, 2008A, p. 9). Likewise, China exported intermediate range ballistic missile systems to Saudi Arabia in the late 1980s. Taking advantage of a Congressional veto that blocked the sale of advanced American missiles to Saudi Arabia, China filled the void and scored the related diplomatic gains. In July 1990, the Saudis cut off official ties with Taiwan and switched diplomatic recognition to Beijing. In addition to arms sales, China attaches greater significance to market access, exports of Chinese goods and investment opportunities. Sino-Syrian trade reached $1.87 billion in 2007, up almost 33 percent from 2006, and the 2007 figure is expected to double by 2011 (Xinhua, 2008A). China has become Syria’s single largest trading partner.

The quest for energy resources is China’s top policy priorities in the Middle East. In recent years China’s oil companies have invested large sums to modernize Syria’s aging oil and gas infrastructure. In September 2008, the China petrochemical corporation made a $2 billion purchase of Canada’s Tanganyika Oil Company, a firm with major operating interests in Syria’s oil industry (China Daily, 2007). Saudi Arabia being China’s largest oil supplier in the Middle East, the relations between them expanded dramatically. There is also significant trade in arms, construction material and cheap engineering labor. Saudi Arabia is China’s largest trading partner in West Asia, while China is the kingdom’s fourth largest trading partner. In the first quarter of 2007, Saudi-China trade registered a year-on-year increase of 77.4 percent to reach $8.5 billion (Xinhua, 2008B). In such way, China’s efforts to forge significant and multifaceted ties with the states of Middle East reflect the increasing complexity of China’s policy calculus towards Middle.

5.9. Anti US-Hegemony

China, Iran and Russia overlapping interests on many issues. They are partners to the Asian Energy Security Grid, an alternative to US-led Western control of the world’s energy resources. Iran has also joined the SCO as an observer. The organization has been largely perceived as a Chinese tool to counter US presence in Central Asia and promote Beijing’s economic interests. In April 2002, shortly after President Bush labeled Iran as a member of the “Axis of Evil,” Chinese President Jiang Zemin visited Teheran and conveyed the message that China and Iran hope to “prevent domination of a superpower on the entire world,” according to the Iranian press. “The two countries believe that for as long as a united and a comprehensive definition of ‘terrorism’ is not offered which can be endorsed by the international organizations, no state can attack other countries under the pretext of fighting terrorism and on the basis of its own definition of the term,” reported Iran’s state-controlled media. Jiang declared that China’s policy was “to oppose American deployments in Central Asia and the Middle East.” He also pledged that “one of China’s most important diplomatic missions is to strengthen unity and cooperation with developing countries and to avoid having developing countries become the targets of American military attacks” (China Times, 2002, p. 2). The growing presence of US and other western troops in Central and South Asia and the Middle East is another joint concern. Politically, the two countries share a common interest in checking the inroads being made by NATO in Asia. Although Beijing and Washington are not at present involved in an open confrontation in the Middle East, the potential for Sino-US conflict over Iran and competition on energy issues cannot be overlooked. There is fear that Iran-Israel military conflict could become a proxy war in the Middle East with the potential to escalate into a direct Sino-US conflict.
5.10. Balancing the US and Iran

The challenge of the Iranian nuclear issue must also be viewed in the context of Sino-US relations. The US has had fundamental problems with Iran’s government since the 1979 revolution. In 1996, Congress sought to step up the international pressure on Tehran by passing the Iran and Libyan Sanctions Act. Bush further enhanced the rhetorical pressure by branding Iran as a part of the ‘axis of evil’. These placed Beijing in a precarious position, forcing it to balance its relationships with Washington and Tehran. In terms of economic development, the US is China’s single-most important partner. There are some predictions that China’s trade surplus with the US for 2005 will reach $200 billion (China Daily 2005A), a figure vastly greater than the volume of Chinese-Iranian trade. However, Washington and Beijing are the two largest energy consumers in the world they may also compete for fuel in the near future. The unsuccessful bid by the China National Offshore Oil Corporation (CNOOC) for Unocal in the summer of 2005 reflected Washington’s caution, primarily because CNOOC is largely a state-sponsored entity. This in turn raised Iran’s value to Beijing in its search for energy security. So being Tehran an energy source that Beijing cannot refuse, China must balance this relationship with its relations with the US, its larger economic partner. Several times Beijing has faced pressures from Washington over Iranian issue. Deputy Secretary of State Robert B. Zoellick cautioned on September 6, 2005, that, “if China continued to seek energy agreement with such countries as Iran, more conflicts will arise between China and the US” (Oriental Morning Post, 2005, p. A10). So the balancing relation between Tehran and Washington is one of the most important considerations of Beijing’s concern.

6. Conclusion

The rise of China is a phenomenon of globalization that has its roots in China’s welcomed opening in 1978, which has one of the world’s fastest growing economies and which has designs on becoming an economic superpower, is today the world’s second largest consumer of oil. Nearly 60 percent of its oil is imported from the Middle East including Iran. Furthermore, Iran’s oil producing facilities and equipment are in serious need of modernization. Beijing’s willingness to invest in this vital sector of the Iranian economy (as much as 90 percent of Iran’s export income comes from oil) is crucial to the fiscal well-being of the present Islamist regime, which, according to official estimates, faces an 11 percent unemployment rate and inflation exceeding 13 percent (Tehran Times, 2010). Despite US pressure to keep Iran economically isolated, China has leaped into the void created by US sanctions against Iran. Before 1997, Beijing had, for more than a decade, been Iran’s most important partner in helping Iran develop its nuclear capability (Garver, 2006, pp. 139, 155). China has apparently retreated from their policy of direct cooperation with Iran on the nuclear issue since that time.

Yet, as China has become an increasingly powerful presence on the world stage, the international community has grown wary of its future direction. The Iranian nuclear issue is testing Beijing’s wisdom, its responsibility as a major global power, and ultimately its ability to balance its domestic and global interests. Beijing’s delicate range of policy choices will be exhausted if Tehran refuses to be more flexible. If Iran were to declare an end to diplomacy, it would grow increasingly difficult for Washington to be tolerant. Although there is some room for maneuvering in the short run, the White House may be pressed to take a harder position toward Iran. Beijing will then be forced to develop a more active diplomacy, as it has done with the North Korean nuclear issue. Beijing might send a special envoy to Tehran, asking Iran to follow various IAEA resolutions that require it to detail its past nuclear activities. Given China’s past experience and initiative handling the North Korean nuclear issue, it could also take other preventive measures, such as approaching EU member states for consultation and to exchange policy views as well as coordinate policy action. The EU and Russia would likely welcome China’s proactive stance if Beijing would take this initiative. Such a concerted and coordinated action could also strengthen the global concert of powers beyond the existing Western coalition on this issue. If Iran continues to refuse to implement existing and future IAEA resolutions demanding that it clarify its nuclear history, China would be tested. Beijing’s ability to block Security Council debate or action would become increasingly difficult if Iran continues its lack of compliance with the IAEA mandate. China possibly would be forced to abandon Iran in its defense of its claimed rights. Nevertheless, even though nuclear proliferation has become an increasingly higher priority in Chinese foreign policy, Beijing likely believes that the existing international monitoring and spotlight on Iran would make it virtually incapable of developing any existing clandestine nuclear programs further. China also strongly supports the sovereign right of Tehran to use nuclear power for peaceful purposes within the IAEA safeguards. For
this reason, because of its emphasis on peaceful methods of resolving the dispute and because China’s growing energy demand forces it to value Tehran, Beijing likely would still not support a largely Western action to sanction Iran. If China is reluctant to support a Western sanctioning effort, it would not imply Chinese support for Iranian proliferation or Chinese cowardice or unwillingness to act in the face of a nuclear threat. Rather, it would result from Beijing’s philosophy of peaceful conflict resolution coupled with its need for energy cooperation.

List of Abbreviations used in the Article

1. AEOI - Atomic Energy Organization of Iran
2. CIA – Central Intelligence Agency
3. CNOOC - China National Offshore Oil Corporation
4. CNPC - China National Petroleum Corporation.
5. CTBT - Comprehensive Test Ban Treaty
6. EU – European Union
7. EU-3 European Union-3 (France, Germany, and the United Kingdom)
8. IAEA – International Atomic Energy Agency
9. LNG – Liquefied Natural Gas
10. IWR - Light water reactor
11. MW – Megawatt
12. NATO – North Atlantic Treaty Organisation
13. NCA – Nuclear Cooperation Agreement
14. NIOC - National Iranian Oil Company
15. NPT- Nuclear Non-Proliferation Treaty
16. NSG - Nuclear Suppliers Group
17. P-5 – The five permanent members of the UN Security Council
18. PLA - People's Liberation Army
19. PWR - Pressurized Water Power Reactor
20. SCO - Shanghai Cooperation Organization
21. Sinopec - China Petroleum and Chemical Corporation
22. UN – United Nations
23. UNSC - United Nations Security Council
25. US – United States of America
26. WMD - weapons of mass destruction.

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