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## CHINA AND THE IRAN NUCLEAR NEGOTIATIONS

### BEIJING'S MEDIATION EFFORT

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#### *The problem and the thesis*

This chapter analyzes China's policies toward the negotiations over Iran's nuclear activities between Iran, the five permanent members of the Security Council, plus Germany (P5+1) (hereafter the "Seven Party talks") from the inauguration of Barack Obama as president in January 2009 to the signature of the Joint Comprehensive Plan of Action on 14 July 2015. The chapter seeks to identify the contours and evolution of Chinese policy toward those negotiations, plus the calculations underlying those Chinese policies.

The thesis developed by this chapter is that China's policies underwent a significant shift early in Obama's second term that started in January 2013, with China playing a much more active and substantive role in the talks. Earlier, including during Obama's first term but following an approach tracing all the way back to the 1979 hostage crisis, Beijing was content to remain a

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bystander to big power diplomacy involving Iran; follow the lead of the United States, Moscow, and European capitals; and garner the status rewards of being deemed a responsible power willing to work in tandem with other leading powers to address important security concerns. Simultaneously, Beijing sought to protect China's commercial/ energy interests with the Islamic Republic of Iran (IRI). Prior to early 2013, Beijing sought to keep both sides (Washington and Tehran) minimally happy, and took the initiative only when China's commercial interests with Iran were threatened by Western-driven sanctions. In essence, Beijing sought to balance the relationship between Washington and Tehran.<sup>1</sup>

Early in 2013, however, following Obama's re-election the previous November, China shifted gear. It began using its good offices to ease tension and facilitate communication between the bitterly hostile US and Iranian negotiators. It began advancing its own suggestions, with a "basket proposal" accommodating the core concerns of both sides. Namely, these concerns were Iran's non-pursuit and non-possession of nuclear weapons; recognition of its "right" under the NPT to non-military research and utilization of nuclear energy; and the lifting of sanctions imposed on Iran since 2006, when Security Council sanctions began. China's top leaders, including Xi Jinping, began openly lobbying Tehran about the need to address international concerns satisfactorily about possible military dimensions of Iranian nuclear programs. Foreign Minister Wang Yi "actively mediated" (*jiji woxuan*) the dispute between Tehran, the United States, and Europe, encouraging the two sides to compromise and meet each other half way (*xiang xiang er xing*).<sup>2</sup> As part of this effort, authoritative Chinese representatives made clear to Iranian leaders that China was prepared to participate largely and generously in Iran's development effort, but that the premise of such participation was satisfactory resolution of the Iran nuclear issue. Given the political and economic importance of China on the IRI, it seems likely that Beijing's more active approach played a significant role in bringing about the agreement of 14 July 2015.

The activist shift in Chinese policy toward the Iran nuclear talks seems to have grown out of five main factors. These are:

1. A long-pending proposal by one of China's top Iran hands, Ambassador Hua Liming, that China's traditional policy of balancing from the side lines was sub-optimal and should be modified by a Chinese effort to mediate the Iran-US conflict. This proposal seems to have been "in the filing cabinet" of the Ministry of Foreign Affairs (MFA) for several years, before it was drawn out of the cabinet and put into practice in early 2013.

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2. A pattern of low-level Chinese mediation between the US and Iran during 2009–10, behavior welcomed by both Tehran and Washington as it provided concrete examples of what China might do. In a sense, China experimented with mediation of Iran-US relations at a lower and confidential level before publicly putting the imprimatur of China's top leaders on that effort in 2013–15.
3. New fluidity in Iran's internal and foreign policies that made successful mediation more likely.
4. Xi Jinping's accession to paramount power in November 2012 led to a determination that China's greater power and global interests mandated a more active diplomacy in many regions, including the Middle East. The resulting higher-profile diplomacy was expected to mobilize popular support for China's communist party régime, and Xi's helmsman ship of that régime. The Iran mediation effort seems to have been one component of this more activist approach to China's diplomacy.
5. A rethinking of the consequences of an Iran-US war for China's interests, especially as focused by mounting apprehensions over Xinjiang's internal stability.

### *Evolution of China's handling of the Iran nuclear issue*

Hua Liming, born in Shanghai in 1939 and educated in a Christian mission school, was one of the first college students in the PRC to be trained in Farsi at Beijing University. Premier Zhou Enlai directed in the mid-1950s that a cohort of young people already fluent in English be selected to train in other major languages, and Hua chose to study Farsi. After mastering that language, Hua entered China's diplomatic service. He served six years in Afghanistan, acted as interpreter for the flurry of Sino-Iranian interactions in the early 1970s, then in 1977 was posted to Tehran. There he watched the mounting uprising against the Shah in 1978–9, and then witnessed Iran's new Islamic régime excoriate China for its firm support of the Shah. Hua returned to Tehran as China's ambassador, 1991–5, then further as ambassador to the UAE and the Netherlands. Hua retired from China's diplomatic service in the early 2000s to become a Distinguished Research Fellow at the Ministry of Foreign Affairs' think tank, the China Institute for International Studies, a position he occupied when he wrote the items discussed in the following paragraphs. Hua Liming is one of China's top Iran hands. He also had good relations with American diplomats in Tehran during the Shah's reign and, after

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the revolution, had many discussions with Iranians about Iran's relations with the US. These interactions influenced Hua's later views about the likelihood of eventual US-Iran rapprochement, and about how China might best navigate that process to its advantage.<sup>3</sup>

In early 2015, Hua published a concise history of China's policy toward the Iran nuclear issue.<sup>4</sup> That study identified three stages of China's handling of the Iran nuclear issue: 1991–2002; 2003–12; and 2013 through early 2015. Hua dates the beginning of China's involvement in the Iran nuclear issue to 1991 when, after the end of the Iran-Iraq war, Russia and the IRI begin discussing possible Russian cooperation in the construction and operation of a large nuclear electrical power plant at Bushehr, on Iran's Persian Gulf coast. That project had been planned with projected German assistance prior to the 1979 revolution, after which Germany withdrew from the project, leaving the way open for Moscow. This immediately roused US opposition and made Iran's nuclear programs an issue in Sino-US relations. During the mid-1980s, China had emerged as Iran's major partner in the nuclear area. By the end of 1991, according to Hua's account, Washington condemned China's nuclear cooperation with Iran, calling that cooperation "unacceptable" and demanding that Beijing end such ties. In Washington's eyes, it presented to China "strong and convincing evidence" that Iran was developing nuclear weapons in violation of the NPT, and insisted that China act responsibly to uphold the nuclear non-proliferation regime. Beijing fended off US demands and/or linked them to the Taiwan arms sales issue. Then in negotiations with the US in 1995–6 over twin summit visits to mark re-normalization of Sino-US relations, Beijing agreed to disengage from Iran's nuclear programs.

Ambassador Hua dates the onset of the second stage of Chinese policy to the revelation in October 2002 of a secret enrichment plant at Ferdow near Nantanz, and a plutonium-producing heavy water reactor at Arak. These discoveries led to US efforts to sanction Iran, first via the IAEA and then via the UN Security Council. US pressure on China to support strong sanctions against Iran became more intense, making the PRC-US relation "exceedingly complex," according to Hua.<sup>5</sup> Three principles guided China's approach during the second stage, once again according to Hua Liming. They were: 1) Iran should not have nuclear weapons; 2) China's economic interests in Iran should not be injured; and 3) the Iran nuclear issue should not be handled in a way that could lead to war. The US was deeply suspicious of the China-Iran relations, according to Hua, and sought sanctions against Iran that would impair Sino-Iranian economic cooperation; they used China's ties with Iran

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as a “test of whether China was a responsible country.” All this rendered the Iran nuclear issue a “negative factor” in Sino-US relations.<sup>6</sup>

China-Iran economic ties, including energy imports, expanded rapidly during the 2000s, and those ties were important to China. Yet, Beijing’s core principle was that the Iran nuclear issue should not become an obstacle in development of Sino-US relations. Thus, China voted “yes” on all four sets of US-backed Security Council resolutions, but only after negotiating with the US to minimize damage to Sino-Iranian economic cooperation. Yet even then, China’s policies eroded Sino-US relations. “The US thought that [China’s] economic cooperation [with Iran] goes beyond economic interests and reflects sympathy for Iran” against the United States, Hua concluded in his account.<sup>7</sup> Washington was “extremely dissatisfied” with China’s economic cooperation with Iran, seeing the advance of PRC companies to fill the void left by the exit of European, Japanese, and Korean energy firms as manifestations not of mere profit seeking, but as calculated strategic advance.<sup>8</sup> The corrosive effect on Sino-American relations of Beijing’s traditional policy of balancing between Washington and Tehran in their chronic struggle was a major reason why Hua urged a Chinese effort to end that struggle.

In the first 2007 issue of *Guoji wenti yanjiu* (Studies in international affairs), a publication bearing the imprimatur of the MFA, retired Ambassador Hua Liming laid out the logic of a Chinese effort to mediate the increasingly intense Iranian-US conflict.<sup>9</sup> Hua’s article argued that China’s traditional policy of balancing between Tehran and Washington was eroding its relations with both. The United States suspected that China was supporting Iran as part of a master strategy of tying down the US in the Middle East. China’s constant support for Tehran against the United States—as equivocal as that support might be—was taken by many in the United States as evidence of a Chinese effort to undermine the US position in the Middle East. Tehran, for its part, saw China as a paper tiger because of Beijing’s constant capitulation to US demands over Iran, and as an insincere opportunist because of Beijing’s unwillingness to antagonize Washington even while professing solidarity with developing countries struggling against its hegemony. Moreover, there were convergent interests between Iran and the United States (e.g. regarding ousting Saddam Hussein, majority [Shiite] rule in Iraq, and stabilizing post-Taliban Afghanistan) that made some sort of eventual reconciliation between Tehran and Washington likely, and when that happened, Iranian and American dissatisfaction with China’s earlier policy could leave it out in the cold. The souring of the important Iran-China relations might be the result.

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On the other hand, China enjoyed good ties with both Washington and Tehran at both the personal and political levels. Both Washington and Tehran saw China as playing a balanced role in the nuclear dispute. These were assets that might be used on behalf of a Chinese effort to mediate the Iran-US conflict. Reduction of Iran-US tension would serve China's interests. China would be better able to expand economic cooperation with Iran without antagonizing the United States. China's vital relations with the United States would be relieved of constant corrosion by conflict over China's links with Iran. If successful, Chinese mediation might win Iranian and American gratitude and world recognition of China as a responsible and peace-loving rising great power. On the other hand, unmitigated Iran-US conflict could lead to yet another Middle East war that would be as disastrous for China's economic relations with Iran.

Hua's proposal lay dormant for several years, but meanwhile mid-level Chinese representatives were already engaged in *de facto* and secret mediation.

### *China's initial de facto, low-level mediation effort*

Documents leaked in early 2010 by US Army specialist Bradley Manning to Wikipedia boss Julian Assange offer a fascinating insight into PRC practical diplomacy in the period immediately preceding Beijing's decision to mediate the US-IRI conflict.<sup>10</sup> Two main points emerge from this rich data. First, China was under sharp US pressure to stand with Washington against Iran on the nuclear issue. Wikileaks documents offered many examples of this US pressure. In September 2009, for example, Deputy Secretary of State James Steinberg briefed Foreign Minister Yang Jiechi and other MFA officials on key themes of President Obama's upcoming visit to China. Steinberg stressed the importance of the recent P5+1 foreign minister statement in the UN General Assembly on the Iran nuclear issue, adding that the US valued China's role in creating this statement. The P5 + 1 had to continue to present a united front to Iran, Steinberg said. Yang replied that Presidents Obama and Hu Jintao had discussed Iran at their recent meeting, and that China understood the importance of the issue to the United States.<sup>11</sup>

Under Secretary of State for Political Affairs William J. Burns made a follow-up visit to Beijing a week after the end of Obama's visit to China, during which it was made clear that for the US, Iran was a core national security issue, and that the US saw China's willingness to agree to apply more pressure to a recalcitrant Tehran as "an important test of China's willingness

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to stand with us.” Washington expected full Chinese support for mounting US pressure on Iran, as a litmus test of China’s sincerity in partnering with the US; whereas continued Chinese equivocation could injure China’s vital relations with the US. Yet siding with the US would undermine China-Iran economic ties or, even more, Beijing’s long-term effort to build an all-weather cooperative partnership with Iran. Settlement of the Iran-US conflict offered a way out of this conundrum.

Chinese leaders had long concluded that China’s interest in good relations with the United States far outweighed China’s interests with Iran, and therefore cooperated with the US on Iranian issues. At the same time, however, commercial transactions between China-based or China-owned firms and Iran were a constant irritant in Sino-US relations. US queries and protests over these interactions were a major theme of the Wikileaks documents. Chinese leaders feared that, one way or another, China would be identified by US Congressional opinion as a covert sponsor of Iran’s nuclear efforts. Beijing’s ties with Iran might lead to anti-China economic legislation by Congress, possibly resulting in a “trade war” which would be the “worst outcome” for China. In short, Beijing’s traditional policy of balancing interests threatened to erode China’s ties with Washington.

The second point to emerge from the Wikileaks documents is that for several years before Beijing’s decision to mediate US-IRI conflict openly and at the highest level, mid-level Chinese representatives were already passing messages between Tehran and Washington under the protection of presumed diplomatic secrecy. In the process, China’s representatives were broaching their own proposals, urging both Tehran and Washington to be calm and patient, to respect one another’s interests and ego, and seek a comprehensive settlement of the nuclear issue with compromises from both sides. It seems that to some extent the policy decision of late 2012 to mediate US-IRI conflict over Iran’s nuclear programs was a repackaging and endorsement at a high level of practices that had already been underway in a more piecemeal and secret fashion for several years. High policy apparently grew out of more mundane diplomatic interactions. Earlier interactions welcomed by both Washington and Tehran perhaps provided reason to believe that a more high-profile effort would succeed, or at least not lead to diplomatic embarrassment. If successful, Chinese mediation might offer a way out of the ongoing erosion of both Sino-Iranian and Sino-American ties.

Here are some examples of this early, low-level Chinese mediation. In February 2010, the deputy director of the Iran Division of the West Asian

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Department of China's MFA, Ni Ruchi, advised a US Embassy Political Minister Counselor about how to handle negotiations with Iran.<sup>12</sup> Ni urged the US to be patient. The last year of Obama's term in office showed that a new and open-handed approach toward Iran was not enough to overcome accumulated mistrust, Ni said. At the same time, increased Western sanctions would not help coerce Iran. Instead, they would only cause Tehran to react negatively. China sought a "thorough solution" of the Iran nuclear issue, Ni said, as he reprimed for the American diplomat China's recent lobbying in Tehran. China had urged Iran to be flexible. Iran had said they were willing to discuss with the P5+1 ideas about processing low enriched uranium outside Iran, as well as parameters for processing uranium. This led Ni to suggest that the Seven Parties pursue these themes in their negotiations. PRC diplomats had stressed to Iran, Ni reported, the importance of increased transparency from the Iranians regarding their intentions in developing nuclear technology. Iran's recent open display of its progress in the nuclear field should not be taken as evidence of intent to weaponize, Ni urged. If Iran were interested in weaponizing its nuclear technology, it would do so in secret, not through public displays. Iran could not be expected to capitulate to Western demands, Ni warned, but a compromise might be attainable.

Another example: a discussion on 20 October 2009 with Li Guofu of the China Institute for International Studies (CIIS)—"a senior Middle East specialist at a well-connected [i.e. MFA] think tank," according to the US embassy report to Washington—urged the US Deputy Political Minister Counselor that in negotiating with Tehran the multilateral channel should be used to present accomplishments in public, but the bilateral track was the only forum in which real compromise was possible. Li Guofu also informed the American diplomat that Supreme Leader Ali Khamenei was personally driving the negotiating process and was prepared to improve relations with the United States.<sup>13</sup>

Chinese thinking about the great quandaries facing the quest for better US-Iranian relations, as well as some of the difficulties the demands of both Washington and Tehran for China's support could cause Beijing, was conveyed to Washington by Ambassador Jon Huntsman in February 2010. Drawn from *Huanqiu shibao*, it is worth quoting at length since it elucidates both attitudes described above:

Because Iran and the West have been hostile to each other for decades, they have lost each other's trust. For many years the West has easily and continuously threatened Iran using sanctions, which have not solved the problem but only intensified



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rancor and speculation [of war?] between the two. This is a problem that the West must seriously consider. They [the US and Iran] both believe that if they are tough, the other will eventually give in. Impractically, they both believe that if they apply enough pressure to China, that in this confrontation China will choose their side. China does not deny the existence of its interests in Iran. Meanwhile, China advocates he balance between the ... countries' interests concerning regional issues. Therefore, no one can kidnap China ... They should be clear that China's own national interests outweigh the interests of any other country. Whoever forces China in a more coercive way will be more likely to be refused by China. Both sides should compromise to further avoid escalating this confrontation.<sup>14</sup>

Beijing's mounting concern over a possible US-IRI war needs to be seen in the context of US and Israeli movement toward a pre-emptive military strike to destroy the enrichment complex at Ferdow.<sup>15</sup> Soon after Obama took office in January 2009, he ordered the Pentagon to develop options for a strike on Ferdow. He also approved an ongoing campaign of Israeli-US cyber attacks on Iran's enrichment program. The US Air Force analyzed the operational requirement of a successful strike, while Israeli forces practiced strike missions, probed Iranian air defenses, and pushed for US transfer of massive bunker-busting munitions. In March 2012 Obama publicly reiterated his willingness to use force to prevent Iran from acquiring an atomic bomb. But parallel to this push toward war, efforts for a diplomatic solution advanced. In December 2011 Obama sounded out Omani leaders about opening a secret back channel to Iran's leaders. The first secret US-IRI meeting in Oman followed in July 2012, but went nowhere. Diplomatic efforts persisted. Then, in October 2013, the Seven Party Talks began. Throughout this process, Israel pushed hard for US and/or Israeli military action against Ferdow.

In this context, Beijing decided to add China's weight to the search for a diplomatic solution and avoid another potentially big war in the Gulf. It did this with the approval of Washington, and probably Tehran. As will be shown later, China's "positive contribution" to the diplomatic search for peace was lauded by IRI leaders.

In sum, Iran-US confrontation posed difficult and potentially costly choices on Beijing. War could force China to choose between Tehran and Washington, and the inevitable "choice" in favor of Washington could spoil China's valued partnership with Tehran. On the other hand, Beijing's ties with both countries were not burdened by years of distrust and rancor. Mediation offered a way out. The same article in *Huanqiu shibao* quoted above made the point that by working with the US on such issues as the Iran nuclear issue, China could improve its global image: "the US relies on China on global

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issues such as ... Iran and North Korea .... China should take the opportunity to showcase China's positive image to the world ... [and] transform US influence into positive rather than negative factors."

### *New developments in Iran make success more likely*

New movement in Iran on the nuclear issue also contributed to China's decision to attempt mediation by making success in that effort more likely. US Treasury Department sanctions, combined with a January 2012 EU embargo on the purchase of Iranian oil, and the exclusion of Iranian banks from the SWIFT system two months later all produced a sharp deterioration in Iran's economic situation. According to scholar Alex Vatanka, Supreme Leader Khamenei concluded that economic relief was vital to prevent revolt, and that some sort of deal with the Western powers on the nuclear issue was essential to achieving that end.<sup>16</sup> Khamenei also understood that a seeming moderate like Hassan Rouhani was necessary to achieve an accommodation with the West, and to this end he engineered his election as president in June 2013. Khamenei also reigned in the Revolutionary Guard Corps, ordering them not to undermine Rouhani's vital effort to ease economic pressure on Iran. The author does not know how much information about these or similar developments was picked up by Chinese intelligence agencies. In any case, to the extent that Chinese leaders were aware of these developments when deciding to attempt mediation, prospects for success would have seemed greater and risks of embarrassing failure less.

### *Launching of China's formal mediation effort*

Hua Liming dates the third stage of China's policy toward the Iranian nuclear issue—defined by China's effort to mediate the Iran-US conflict via the Seven Party talks—to 2013. Hua identifies several factors underlying the shift in policy. The rise of Sunni extremists such as the Islamic State in Syria and Iraq, along with the potential for a Taliban return to power in Afghanistan following the planned withdrawal of US forces in late 2014 (later deferred to end 2016), enlarged the scope of common Iranian and American interests. Tehran accelerated its nuclear activities during the last several years of Mahmoud Ahmadinejad's presidency (2005-June 2013) in an effort to consolidate and expand its increasingly dominant position in the region, according to Hua. Washington responded to Iran's steadily stronger position and accelerated

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nuclear programs by tighter economic sanctions. By mid-2012 the US had put in place financial sanctions that, in effect, constituted a global embargo on normal trade with Iran.<sup>17</sup> US-Iranian relations were at a turning point: continued escalation of the conflict between those two countries could lead to war, a prospect that both sides feared. Both sides were willing to talk in hopes of finding a non-violent way out of their confrontation, but those talks—for example, the first round of the Seven Party talks, held in Istanbul in April 2012—were without result. The atmosphere of the talks was tense and hostile. Suspicion was high between all parties. Obama insisted on “keeping all options on the table,” meaning a military strike against Iranian nuclear facilities if necessary. However, he also clearly recognized that this would encounter many difficulties, including further encouragement to extremist movements across the Middle East. All of this is according to Hua Liming.

In these circumstances, China was posed to play an “irreplaceable role” and a “critical function” in the Iran nuclear talks. The question for the United States, as posed by Ambassador Hua Liming, was whether the US could escape its old policy of hostility to the IRI and “achieve rapprochement with an independent regional power like Iran. Could the United States concede a degree of hegemony in the Middle East for the sake of its global strategy? Faced with a situation of great change in the Middle East and the world, the U.S. needed to answer these questions.”<sup>18</sup>

It must be noted that a premise of Hua’s case for Chinese mediation is that reconciliation between Iran and the United States would require US acceptance of Iran as independent regional power, not Iranian subordination to the United States. In other words, China *was not* helping the US achieve hegemony over the Persian Gulf, but helping a more modest, realistic and less ambitious United States cede a degree of strategic independence and autonomy to the Islamic Republic of Iran, rather as the Nixon administration had done with China in 1972. As will be discussed later, this is an important point in defense of China’s mediation effort against Chinese critics. The United States’ capacity to influence events in the Middle East was diminishing, Hua explained. Repeated wars with Iraq and in Afghanistan had eroded US strength, and regional powers—Israel, Saudi Arabia, Turkey, as well as Iran—were increasingly attempting to fill the growing void left by US, Iraqi, and Egyptian decline. China’s own interests in the Middle East were growing rapidly: energy imports, trade, labor and engineering services, the security of sea lines of communication. China’s own comprehensive national power was growing rapidly, and in this situation, it behooved China to use its steadily

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greater influence to nudge developments along lines compatible with China's interests, primarily by maintaining peace and stability in the region as a vital precondition for an expanding Chinese economic role.

During the 1980s and 1990s, when China's power and Middle Eastern interests had been much less, it had been appropriate for China to follow Deng Xiaoping's prescription of *tao guang yang hui*, low-profile approach. But that traditional approach of "plugging away at its own modest task" (*du shan qi shen*, a humble and homely self-deprecatory expression occasionally used by Deng to define his self-restrained approach to China's diplomacy) no longer served well a more powerful and interested China.<sup>19</sup> This call for a more proactive diplomacy comporting with China's greater power was in line with Xi Jinping's call for a new style of Chinese diplomacy.

Defense of peace and stability in the Middle East via mediation of the Iran-US conflict would not only serve China's material interests, Hua explained, but would identify China as a peace-loving and responsible rising great power, thereby enhancing China's soft power. The countries of the Middle East already universally esteemed the "hidden strength" of China's economic development, Hua continued, and looked on a rising China as expanding their "international space" by balancing traditional big powers (i.e. the US and its European allies) in the region. If China added to this impressive resumé an effort at peace-making via mediation of the Iran-US dispute, it would further strengthen China's regional appeal. Working in tandem with the West to persuade Iran to reassure the international community adequately that it was not pursuing nuclear weapons would, Hua continued, help offset US displeasure over China's policies in the East and South China Seas.

### *The internal Chinese politics of the mediation effort*

China's effort to mediate the Iran-US conflict and comprehensively settle the nuclear dispute between those two countries contradicted important and widely held verities of contemporary Chinese political culture: to wit, that the United States is engaged in a vast campaign to injure China in various ways, and that a good way to counter malevolent US anti-Chinese efforts is to keep it mired in strife in the Middle East. Many objections of this sort to the MFA's mediatory effort were aired on the website/radio broadcast *Qiang Guo Luntan* (Great Power Forum) in December 2012 in the run-up to its launch and at about the same time as Hua Liming and Yao Kuangyi would have been composing their explanations of China's new policy.<sup>20</sup> All these efforts were an

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ideological preparation of Chinese public opinion for the upcoming bold new departure for China's Iran diplomacy. The redoubtable Hua Liming was the key explainer and defender of the *Qiang Guo Luntan* program of the MFA's mediatory effort.<sup>21</sup> The second caller to the forum got right to the point: "If the United States goes to war with Iran, what injury would this do to our [China's] interests?" Hua was equally direct in his response:

If the United States, Israel and Iran touch off a war over the nuclear issue it will be a disaster for the Middle East region. Not only will Iran suffer a potentially lethal (*zhiming*) attack, but the entire region will be consumed by the flames of war because once Iran is attacked it will definitely respond with counter attack. Then, US military bases and forces in the Persian Gulf, Iraq and Afghanistan will become targets of Iranian attack and the entire Middle East will be consumed by the flames of war. The Middle East is a major supplier of oil. Sixty percent of the world's oil comes from the Middle East and the Middle East has the world's most important oil transport lines. Once war breaks out in this area, sixty percent of world oil supply will stop. The world economy will be severely injured. The world economy that is just beginning to recover will suffer an even bigger disaster. China will be the first to suffer. Therefore, China does not want to see war break out in this region, but hopes for peace.

The next caller asked why China should help the United States when the US was sanctioning Chinese companies over economic transactions with Iran. Hua Liming responded by pointing out that China had endorsed four rounds of UN Security Council sanctions and had "sincerely implemented" the resulting obligations. But China did not participate in any sanctions outside the Security Council framework, Hua explained, and China recognized and struggled against the "serious injury" to China's economic ties with Iran done by extra-Security Council sanctions. Addressing the implication of the caller's question that China had somehow become a junior partner in US hegemonic enterprises. Hua continued:

China's economic interests [with Iran] cannot be "kidnapped" [*bangjia*] by US hegemony, so the matter of China helping the US steal the riches of Iran (*fen dan bao fu*) does not exist. The reason why China advances diplomatic talks is because it desires a peaceful solution to the Iran nuclear issue, and not war. This is in line with China's interests, and also those of the US, as all as the rest of the world's interests.

The Forum moderator then interjected: "But if the Iran nuclear talks succeed, the American bastards [*meilao*] will be better able to confront us. Therefore is it not best to let the US and Iran fight each other?"<sup>22</sup> Hua responded: "In fact a US-Iran war would be a disaster for the whole world.

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Once war breaks out, China would be the first to suffer; it would not be in China's interests." Another caller raised the issue of US arms sales to Taiwan and suggested that the proper response to these would be for China to form a "military alliance" with Iran along with Cuba and North Korea. Hua condemned US weapons sales to Taiwan and pledged a "strong response" to any such sales. At the same time, the notion of forming a military alliance to confront the United States was an out-of-date cold war mentality, Hua said. If countries such as China, Iran, and others wanted to become strong enough to oppose US hegemony, the most effective method was to "take good care of [*zuohao*] their own countries."

Still, another caller asserted that in a world dominated by a US quest for global hegemony via war, possession of nuclear weapons was a "miraculous sword" [*makelijian*] able to deter the United States and protect a state. Thus, China should support Iran's acquisition of nuclear weapons, the caller said. Hua responded that China had signed the Nuclear Non-proliferation Treaty and would sincerely uphold its obligations under that treaty. North Korean possession of nuclear weapons had not enhanced stability in that region, and neither would nuclear proliferation in the Middle East. It would exacerbate regional conflicts and bode absolute disaster if such weapons were ever used. Another caller returned to the same point: if Iran were pulled into the US sphere of influence because of US pressure and denuclearization, there would be no power in the Middle East able to balance the United States. This would be unfavorable to China. For China to "break out of encirclement" by the US, it should resolutely support Iran's "technological [i.e. nuclear] advance."

Scholar Zhu Xuhui, Hua Liming's co-respondent on the forum, gave considerable insight into what seems to be a key premise of Beijing's mediation effort: the proud and nationalist Persian people would not allow themselves to be controlled by the United States, and China should not worry about such a possibility. The Iranian people dream of Iran being a great power, Zhu Xuhui said. They hope to be recognized as a regional great power. To a considerable extent, Iran's desire to possess nuclear capability was a matter of internal politics, of satisfying the nationalist pride and longings of the Iranian people. No matter who ruled Iran, they would not be able to compromise on the principle of Iranian greatness; "If they did, they would lose the support of the people."

Extrapolating a bit from Hua's and Zhu's comments, one premise underlying Beijing's mediatory effort seems to be a degree of confidence that improved Iran-US relations; even a genuine strategic rapprochement between the two countries to confront the Islamic State and stabilize Syria, Iraq, and

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Afghanistan would not leave China out in the cold. During the 1970s Iran under the Shah had close relations with both the United States and China precisely in order to secure the support of each for Iranian regional pre-eminence. Chinese commentators, including Hua and Zhu in the December 2012 *Qiang Guo Luntan*, expressed the belief that Iran's quest for nuclear capability was not to destroy Israel, but to influence Iran's regional rivals Saudi Arabia, Turkey, and Israel, while securing from the United States recognition of Iran's interests in the Persian Gulf region. If China helped Iran secure that American recognition via mediating a compromise settlement between Tehran and Washington, China could win a degree of Iranian gratitude and trust, constituting a significant element in the edifice of all-weather Sino-Iranian strategic partnership and mutual trust that Beijing aspires to build.

The callers to the MFA's *Qiang Guo Luntan* almost certainly *were not* members of China's foreign policy elite. Yet the views they expressed touched on high politics in two ways. First, the views expressed by callers probably *do* reflect the views of some high-ranking officials in the military, state security, and propaganda and ideology agencies of the PRC party state, and the views of *those* officials *do* figure in high-level elite politics. Second, the anti-US views expressed by *Qiang Guo Luntan* callers probably represent a wide swath of Chinese public opinion, and this popular opinion may be mobilized by one elite group to undermine another group. This means that embarrassments or failures, especially those resulting in injury to China's reputation or interests, could become a potent criticism of the MFA's bold mediatory effort and of the top leaders who authorized this approach.

### *Xi Jinping and the decision to mediate*

The decision to attempt mediation of the US-IRI conflict was linked to Xi Jinping's selection as Secretary General of the Chinese Communist Party and China's paramount leader on 15 November 2012. Xi took office convinced that China needed a more active, assertive foreign policy reflecting a stronger, rejuvenated China. China's relative standing in the world was vastly increased over the era several decades earlier, when Deng Xiaoping had mandated a low-profile approach for China's diplomacy. A new era with new horizons for China's diplomacy was necessary, Xi believed. A number of bold moves followed in quick succession: ratcheting down tension with Japan, free trade agreements with South Korea and Australia, the Asian Infrastructure Investment Bank, the "One Belt, One Road" project.<sup>23</sup> The decision to mediate US-IRI ties has the hall-

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marks of Xi's bold initiatives. It sought to grow a larger regional and global role for China over the longer run, while turning down the temperature of regional conflicts in China's periphery over the short term. It sought to maintain constructive relations with the West, and it sought to uphold domestic stability by upholding China's periphery. The linkage between external and internal stability was primary.<sup>24</sup> As Andrew Scobell's Chapter 1 and Andrew Small's Chapter 9 explain, wars involving Iran, Pakistan, or Afghanistan could pose profound challenges to Xinjiang's stability.

### *China's mediatory effort*

Figure 6.1 shows a flowchart of China's decision to undertake mediation of US-IRI relations.

In March 2013, in the waning months of the Ahmadinejad presidency, China's deputy ambassador to the UN Security Council, Wang Min, outlined key strands of China's position following a report by the UN Iran sanctions committee.<sup>25</sup> China respected the work of the Iran sanctions committee and would continue to implement measures in common with other Security Council members. The Iran nuclear issue was linked to the authority of NPT institutions, and China encouraged Iran to advance and strengthen its cooperation with the IAEA. But China did not approve of the threatened use of force (by Washington against Iran) and to unilateral promulgation of sanctions by "big powers" to expand arbitrarily (i.e. without Security Council approval) the scope of sanctions, thereby injuring the legitimate interests of other countries (i.e. China). China strongly objected to this arbitrary injury to its legitimate economic interests. According to the MFA's Yao Kuangyi,

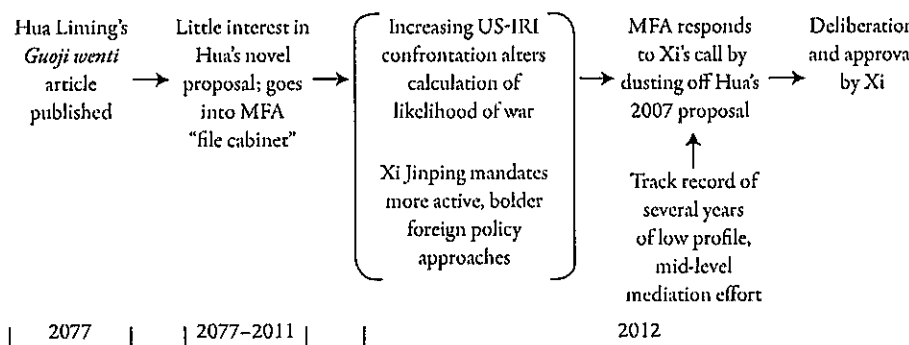


Figure 6.1: Evolution of mediation policy



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throughout the negotiations over the Iran nuclear issue, China conducted “necessary struggle” against implementation of US unilateral sanctions that injured China’s economic interests. This included compelling the United States to extend several exemptions on China’s purchase of Iranian oil.<sup>26</sup>

In early June 2013, shortly *before* Hassan Rouhani’s victory in Iran’s presidential election on a platform of improving relations with the West, China’s ambassador to the IAEA again laid out China’s views.<sup>27</sup> China welcomed plans for talks between Iran and the IAEA about possible previous Iranian conduct of military-related nuclear research and development. China urged Iran to be more flexible in these negotiations, and to strengthen its cooperation with the IAEA.

During the twenty-six months between June 2013 and July 2015, Chinese representatives urged Iranian leaders to bring the Seven Party talks to a successful conclusion on at least seventeen occasions. These episodes of Chinese lobbying are summarized in Figure 6.2. These exhortations included some at the highest level (paramount leader, Politburo Standing Committee members, and foreign minister) and were openly reported by China’s media. China, in other words, put its prestige on the line.

Xi Jinping kicked off China’s effort in mid-September 2013 during his initial meeting with newly elected President Rouhani on the sidelines of a Shanghai cooperation organization summit in Bishkek, Kirgizstan. This was three months after Rouhani’s election and a month before Seven Party talks were scheduled to resume. Xi welcomed the positive attitude of Iran’s new government regarding the resolution of the Iran nuclear issue.<sup>28</sup> Resolution of the nuclear issue was tied to Iran’s “substantial interests” as well as to regional stability. China hoped, Xi said, that all parties would focus on advancing practical dialogue. China respected Iran’s legitimate rights and resolution of the issue via negotiations. China was willing to continue constructive efforts to promote the peace talks, Xi told Rouhani. Iran’s new president replied that Iran’s ties with China were very important, and that cooperation in all areas should be expanded. Rouhani reiterated Iran’s contention that its nuclear programs were entirely peaceful and for such purposes as generation of electrical power. Rouhani also said that Iran was ready to accept IAEA inspection within the provisions of the Nuclear Non-proliferation Treaty, and in this way eliminate international concerns. The Iranian leader also expressed the hope that China would continue to play a “constructive” role in deliberations over the Iran nuclear issue.

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Figure 6.2: High Level Chinese Lobbying of Tehran to Settle Nuclear Issue

<i>Date</i>	<i>Event</i>	<i>Gist of discussion</i>
Jul. 2012	1st secret meeting US & IRI envoys in Oman	
Jun. 2013	China ambassador meets Rouhani	China welcomes new approach of IRI & talks w/IAEA
Sep. 2013	Xi Jinping & Rouhani meet in Bishkek	Xi welcomes positive attitude Rouhani re nuclear issue & urges settlement
Oct. 2013	IRI—P6 talks begin	
Nov. 2013	Interim agreement IRI & P6	
May. 2014	President Rouhani state visit to China	Xi Jinping and Rouhani agree on future expanded cooperation in all areas
Jul. 2014	VFM Li Baodong talks w/ FM Javid Zarif in Luzanne	“deep exchange” of views on on-going nuclear negotiations
Jul. 2014	Secretary General MFA disarmament section Wang Qun meets Iran deputy Prime Minister Abbas Araghchi in Vienna	“deep exchange” of nuclear issue and discussed possible modalities for addressing issues. Wang conveys China’s hope all parties show greater flexibility, narrow differences, and reach comprehensive settlement
Aug. 2014	VFM Zhang Ming meets deputy FM Ebrahim Rahimpour in Beijing	Zhang reprises increased mutual trust arising from recent summit meeting Xi and Rouchani and China’s willingness further increase cooperation “in appropriate ways”
Oct. 2014	Wang Qun visits Tehran. Talks w/Supreme Leader Khameni and Iran VFM	“deep and comprehensive exchange of views” on nuclear issue. Wang urges Iran accept “basket” deal and focus on reducing disagreements step by step.
Nov. 2014	CCP internal security chief Meng Jianzhu visits Iran. Talks with Iran Interior Minister	discuss expanded law enforcement cooperation with focus on Xinjing
Nov. 2014	FM Wang Yi telephone call w/ Javed Zarif	Wang urges Iran show greater flexibility & seek balanced comprehensive agreement

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Dec. 2014	VFM Zhang Ming to Tehran for talks	“deep exchange of views” and “political consultations” re nuclear issue
Feb. 2015	FM Wang Yi to Tehran. Talks w/Rouhani & FM Javed Zarif	Discuss Iranian participation in “one belt” project, Iranian development, and nuclear issue. Urge Tehran establish trust with Six Parties & reach agreement.
Feb. 2015	IRI legislative leader to China, talks w/FM	Wang Yi reiterates support resolution nuclear issue via negotiations
Mar. 2015	Wang Yi telephones Javed Zarif	urge “political decision” to close gap and reach settlement
Mar. 2015	Wang Yi meets Zarif in Lausanne	express China’s hope all parties seize opportunity to reach settlement
Apr. 2015	Xi Jinping meets Rouhani in Jakarta	Xi reprises “on Belt” program and hopes for early and durable nuclear settlement
May. 2015	Wang Qun to IRI; talks w/ IRI atomic chief	discuss matters related to comprehensive settlement of nuclear issue
Jun. 2015	Wang Yi meets w/ Zarif in Moscow	Wang calls for “political will” to overcome “hardships” in reaching settlement

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FM = Foreign Minister

VFM = Vice Foreign Minister

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When the Seven Party talks resumed in October 2013, China advanced several principles intended to guide the talks. According to Yao Kuangyi, this was the first time that China had advanced its own position on a comprehensive solution to the Iran nuclear issue.<sup>29</sup> China’s principles were as follows. First, the Seven Party talks were the proper venue for the search for a settlement. Implicitly: neither party should walk away from those talks out of frustration or resort to some framework that excluded an important interested party. Second, the talks should seek a comprehensive, fair, reasonable and long-term solution. Third, the parties should strive to create an advantageous atmosphere and advance step by step toward a solution.<sup>30</sup>

A Xinhua commentary of November 2013, when the Interim Agreement was signed, outlined the “two hands” of China’s mediatory effort.<sup>31</sup> One “hand” entailed “lubricating” interactions between long estranged and deeply hostile parties, the US and the IRI. China had good relations and long famili-

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arity with both parties and used those good offices to reduce hostility and “uphold justice.” The latter formulation presumably meant recognizing the core concerns of both sides. China’s second “hand” entailed advance of “constructive proposals” (*jinshexing de fangan*) at critical junctures. Shortly after the Seven Party talks began in October 2013, for instance, China proposed that “first of all,” Iran should not possess nuclear weapons. Development of nuclear weapons (by Iran) was not advantageous to world peace, security, and stability, or even Iran’s own real security. Secondly, Iran’s security and economic concerns should be adequately addressed, and Iran’s “right” to the peaceful use of nuclear energy should be upheld. Third, force should not be used. War would not “solve the problem” and would cause great instability across the Middle East.

Another “constructive proposal” by China came in February 2014, issued by vice foreign minister Li Baodong.<sup>32</sup> After lauding the progress achieved in talks up to that point, Li called on all parties to seek a complete, fair, reasonable, and long-term solution to the problem. This could only be done on a “balanced” basis addressing the concerns of both sides. This was China’s “basket” (*lanzi*) proposal. Iran should comprehensively resolve the concerns of international society regarding its nuclear activities, and fulfill its obligations under provisions of the NPT. At the same time, Iran’s use of nuclear science for civilian purposes should be guaranteed by international society. As this was done, all multilateral and unilateral sanctions imposed on Iran should be “gradually” (*zubu*) lifted and international society should broadly develop various forms of cooperation with Iran. China hoped, vice foreign minister Li Baodong said, that Iran would show greater flexibility regarding measures to limit its nuclear programs, and that the six powers would reciprocate appropriately by easing sanctions. All sides should demonstrate good faith and sincerity, and seek above all to maintain an atmosphere of dialogue. China was opposed to any type of pressure. The latter was an implicit reference to US threats of sterner sanctions or use of military force.

Wang Qun, director general of the arms control department of China’s foreign ministry, met in Vienna with Iran’s deputy foreign minister, Abbas Araghchi, for yet another “deep exchange” of views in July 2014. Wang Qun expressed the hope that Iran and its six negotiating partners would show greater flexibility, narrow their differences, and seek an early and mutually beneficial win-win comprehensive settlement of the nuclear issue.<sup>33</sup>

In November 2014 Meng Jianzhu, CCP Politburo member and head of the CCP’s Politics and Law Committee, visited Iran as special representative of

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Xi Jinping.<sup>34</sup> Meng met with interior minister Abdolreza Rahmani and vice president Eshaq Jahangir to discuss increased cooperation in law enforcement and internal security with a focus on Xinjiang.<sup>35</sup> An MFA spokesperson said of Meng's talks in Tehran that China was willing "to play a positive role in maintaining both countries' security interests and promote regional peace and stability."<sup>36</sup> Meng apparently explained to IRI leaders China's concerns that war in the Gulf would undermine Xinjiang's internal security.

The same month that Meng Jianzhu was in Tehran, foreign minister Wang Yi arrived in Vienna with a new set of "modalities" (*silu*) intended to address "outstanding questions."<sup>37</sup> China also hoped to "mediate" (*woxuan*), especially between Iran and the United States, hoping to reduce differences and increase mutual understanding, Wang told the media. An early and comprehensive settlement would be advantageous to the "normal lives of the Iranian people," Wang said, and also to the maintenance of the NPT and to peace and stability in the entire Middle East region.

Wang Yi travelled again to Tehran in mid-February 2015 for talks with Rouhani to present China's ideas about cooperation in the ambitious One Belt, One Road project.<sup>38</sup> Wang Yi made clear the broad scope of China's projected infrastructure development, along with the reality of resolution of the nuclear issue as a precondition for realization of those infrastructure plans. China had excess production capacity, and it hoped to turn toward an infrastructure expansion project along with participation in Iranian industrialization, Wang Yi said. China was also prepared to increase cooperation with Iran in efforts to advance the "democratization of international affairs." Implicit in this concept was resolution of the nuclear issue on the basis of recognition of Iran's "right" under the NPT to civilian use of nuclear power. The nuclear talks had entered their final stage, Wang Yi said. He continued: "China lauds President Rouhani's emphasis that Iran does not seek to develop nuclear weapons. We hope Iran will seize the opportunity of the Seven Party talks to establish trust [i.e. between Iran and the international community], overcome difficulties, and reach an early and mutual win comprehensive agreement."<sup>39</sup>

When the Seven Party talks resumed in Lausanne in November 2014, Wang brought with him a set of four Chinese viewpoints (*zhuzhang*).<sup>40</sup> Firstly, all sides should increase political leadership and make political decisions. If the talks remained mired in technical details, settlement would be difficult. Secondly, the two sides should make compromises, meeting each other halfway. Third, the two sides should proceed step by step, and not return to ground already covered. Finally, a settlement should be a "basket" or package

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agreement, addressing the core concerns of both sides. Such a settlement should also utilize the important role of the United Nations.

China also donated RMB 1.5 million (about US\$ 250,000) to support the IAEA's first phase of inspection of Iran's nuclear facilities under the emerging accord.<sup>41</sup> Modification of the heavy water reactor at Arak was one concrete area in which China played a significant role. The configuration of the reactor then under construction would produce considerable amounts of fissile plutonium, and the two sides reached agreement to redesign the reactor so as to produce considerably less plutonium. China had experience with design and construction of the requisite lower-plutonium reactor, and agreed to assist Iran in modifying the Arak facility.<sup>42</sup> Chinese personnel in this role were more acceptable to Iran than would be European or American.

How significant was China's lobbying of Tehran to make compromises adequate to "settle" the nuclear issue? Two considerations address this question: first, Iranian expressions of gratitude for China's efforts; second, China's ability to render substantial assistance to Iran's national development efforts—if the nuclear issue reached a comprehensive and durable settlement.

Regarding the first factor, a few examples of the many Iranian expressions of gratitude to China will suffice:

In July 2014, Deputy Foreign Minister Araghchi thanked Wang Qun for China's active and important role in the negotiations.<sup>43</sup>

In August 2014, deputy foreign minister Ebrahim Rahimpour praised vice foreign minister Zhang Ming China's constructive role in the talks.<sup>44</sup>

During a November 2014 telephone discussion with Wang Yi, Javed Zarif thanked China for its fair and important role in the talks.<sup>45</sup>

In March 2015, Zarif praised the "important role" that China's proposals had played in negotiations, and hoped that China would continue to exercise its influence in the ongoing negotiations.<sup>46</sup>

It is possible that these Iranian expressions of gratitude were merely cheap ways of giving China face. But it is equally possible that Iran's leaders were grateful for China's assistance in escaping sanctions, preventing war with the United States, and securing recognition of Iran's "right" to full scope nuclear fuel cycle, albeit one restricted to non-military parameters. If Iranian expressions of gratitude are genuine, China's mediatory effort may have been a significant stone in the edifice of a Sino-Iranian partnership that Beijing aspires to build in the long run.

China had apparently applied important economic leverage with Tehran. With Western economies mired in deep recession, financial crises, sovereign

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debt crises, and ballooning governmental deficits, China alone among Iran's Seven Party counterparts was in a position to offer substantial assistance to Iran's national development efforts. However, China had to do this without spoiling its vital relations with the United States via entanglement in a US-IRI confrontation. China's ambassador to Iran, Pang Lin, laid out very clearly and to an Iranian audience the link between resolution of the Iran nuclear issue and large-scale Chinese participation in Iran's development.<sup>47</sup> Speaking in March 2015 to a public forum jointly presided over by Iran's deputy foreign minister and head of the Sino-Iranian Friendship Association, Ambassador Pang began by reprising the long histories and "glittering civilizations" of Persia and China which gave them "much common language." Pang turned next to review the expanding exchanges of all sorts between the two countries and a "blueprint" for expanded cooperation recently agreed to by presidents Xi Jinping and Rouhani at their May 2014 meeting in Beijing. The One Belt, One Road program would become a major driver of greatly expanded cooperation, Pang said. Ambassador Pang then turned to the crux of the issue:

Ladies and gentlemen, friends. Just now the Iran nuclear talks have reached a historic favorable opportunity. If a timely and comprehensive agreement can be achieved, this will create a more relaxed external environment and more investment opportunities. China has from start to finish taken an objective and fair position regarding the Iran nuclear issue and is happy if Iran and the Six Powers reach an early comprehensive agreement. China will continue to play a constructive role, urge all parties to move toward one another, and reach an early and comprehensive agreement.<sup>48</sup>

It is not necessary to weigh which prospect offered greater incentive to Tehran to come to terms with the international community on the nuclear issue: the re-opening of trade and investment ties with Europe; re-entry into the global financial system via lifting of US unilateral sanctions; or the prospect of expanded cooperation with China via One Belt, One Road and Chinese participation in Iranian industrialization. All three are important for Iran's development. But the large size of China's foreign currency reserves, its massive industrial capacity (even *over-capacity*), the extremely impressive record of development achieved by China over the last forty years, and the important role China has played in Iranian development since the 1988 end of the Iran-Iraq war suggests to this author that the China factor weighed heavily.

Clarification by Chinese representatives of the lesser level of Chinese assistance to Iran that would be forthcoming from China if the nuclear issue remained unresolved should not be taken as some sort of coercion—although

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it may fairly be construed as a type of indirect pressure. China's representatives were stating the facts of life: if Chinese firms had to choose between the US and global economies or Iran's economy, most would choose the former. China's interests with the United States far outweighed its interests with Iran; Chinese representatives had made this point clear to IRI representatives half a dozen times since 1979. China would not confront the United States on behalf of Iranian interests in a region of secondary importance to China and thereby risk spoiling the generally supportive attitude of the United States toward China's development effort. And new railways, highways, pipelines, and industrial development zones would not be built in zones of war and instability. By making clear to Iran these economic-political facts of life, China created potent incentives supporting its mediatory effort in the Seven Party talks. It may not be going too far to say that China's role in achieving the July 2015 deal was second only to the roles of the United States and Iran itself.

Beijing welcomed the agreement signed on 14 July 2015. The most important aspect of that agreement, according to foreign minister Wang Yi was that it safeguarded the nuclear non-proliferation system while giving Iran the legitimate right to utilize nuclear science peacefully for civilian purposes. Iran had made a political commitment not to develop nuclear weapons and that commitment was cemented with broad international agreement by all powers.<sup>49</sup> Wang also suggested that negotiated, peaceful settlement of the complex and difficult Iranian nuclear issue might serve as a "positive reference" for the Korean nuclear issue. Wang also highlighted China's mediatory role. Quoting directly from the MFA media statement:

As a permanent member of the UN Security Council, China is aware of its responsibilities and obligations to international peace and security and [has taken] a constructive part in the whole negotiation process. China is not a focus of the contradiction and that enables it to carry out active mediation ... Especially at some important points when the negotiations met with difficulties and reached ... deadlocks, China actively explored ideas and approaches to resolve the problem and put forward its own solution from a perspective ... of the common interests of all parties.<sup>50</sup>

Wang also expressed the hope that the 14 July agreement would open the way to expanded Chin-Iran cooperation.<sup>51</sup>

### *Summing up*

The main Chinese interest served by China's effort to mediate Iran-US conflict was avoiding a war that would injure a series of major Chinese interests:



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disrupting China's energy supply from the Gulf; precipitating a global recession disastrous for China's exports; disrupting projected Western-oriented infrastructure links; and most important of all, exacerbation of internal security concerns regarding Xinjiang arising from refugees and extremism.

A second-order Chinese objective was burnishing China's reputation as a responsible and important great power: as a power sincerely upholding the Nuclear Non-proliferation Treaty *and* the right of independent-minded non-Western countries to use civilian nuclear energy; as a peace-maker not a trouble-maker, and as a country of considerable influence on major issues of war and peace. There were several relevant audiences: the US Congress; Europe, which Beijing hoped to attract; and Third World opinion. Not least, a prominent display of Chinese diplomacy on an important issue would impress Chinese public opinion.

There was an unspoken but probably high-ranking geopolitical objective underlying China's peace-making diplomacy: preventing the collapse of Iran as a balancer of the United States in the Gulf. The simple reality was that a war between Iran and the United States could leave Iran in ruins. Drawing on the experience of Iraq, which was transformed from a major regional power in the 1980s to a failed and fragmented state, due largely to two lost wars with the United States (i.e. 1991 and 2003), Chinese strategists certainly realized that war with the US would inflict immense injury on Iran, perhaps eviscerating its comprehensive national power for decades. China's own development strategy since 1978 had been premised on avoidance of confrontation with the United States to give China a decades-long period in which to develop and become strong. China's study of the Soviet collapse and of the rise of great powers over history had also led to the conclusion that prudent rising powers avoided premature confrontations with the incumbent hegemonic power. Application of this concept to Iran suggests that Iran would be wise to avoid a possibly catastrophic conflict with the United States, making such compromises as necessary to avoid this and gain time for self-strengthening. Sharing this strategic insight in private with Iranian leaders may well be a key component of the "deep exchange of views" between China and Iran on "international issues of common concern."

China had a unique set of assets that positioned it to mediate US-Iran relations. It had good relations with both the United States and Iran. It was a valued strategic partner and interlocutor of both. It made sense to China's leaders to use those unique assets to protect China's own interests, to demonstrate to China's people the growing power and influence of their country, *and* to make a contribution to world peace.

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China's effort to mediate US-Iran conflict via the Seven Party talks offers an example of China's use of its growing power to promote peace or—stated more explicitly—to avert war between the IRI and the United States. China's diplomacy at this juncture offers a statesman-like effort to promote reconciliation between major powers, even when such reconciliation might result in loss of certain strategic advantages for China. It offers an example of sincere Chinese effort to uphold the global non-nuclear weapons proliferation regime. It offers a clear example of an acute Chinese sensitivity to the probable destabilizing effect of war; and it offers a reassuring example to other countries that China will use its ever greater power to uphold peace and international stability. The success of parallel Chinese and US policies toward the Iran nuclear issues at this juncture also offers an example of how the two countries may work in tandem to address first-order security issues, even when they have serious differences in approach and geostrategic interests.

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## 6. CHINA AND THE IRAN NUCLEAR NEGOTIATIONS: BEIJING'S MEDIATION EFFORT

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17. Hua, “Diplomacy,” p. 400.
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19. *Ibid.*, pp. 407–9.
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## ~~7. CHINA AND IRAQ~~

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