

China vs. the Western Campaign for Iran Sanctions

The EU, Israel, and United States have been conducting an intensive campaign of diplomatic skirmishes with Brazil, China, Turkey, and others over imposing sanctions on Iran to stop it from moving from enriching uranium to building nuclear weapons. The sanctions needed to be “crippling” according to U.S. Secretary of State Hillary Rodham Clinton, “massive” according to President Nicolas Sarkozy of France, and “biting” according to Prime Minister Benjamin Netanyahu of Israel.¹ Yet, an operational consensus had not been obtained by May 2010. Some in the United States, particularly within Congress, appear willing to be indiscriminate in hitting not only the core of the Iranian regime but also the Iranian people, while Israel is defiantly planning a potentially catastrophic military attack on Iran’s nuclear sites even without the consent of the United States.² On the other hand, Europeans want to be more circumspect and focus on targeting the hard core of Iran’s regime rather than its public.

Meanwhile, Brazil, China, and Turkey have been unified against any form of sanctions and want the diplomatic process to continue. As a rising regional power, Brazil fiercely opposes “to push Iran against a wall” and deeply resents being lectured by the United States on how it should conduct its relations with Iran. President Luiz Inacio Lula da Silva is the only leader in the world who has both hosted President Mahmud Ahmadinejad of Iran and has also visited Israel in May 2010. He advocates that Iran be given more time to address international

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concerns about the potential military dimensions of its nuclear program. NATO-member Turkey, under the more Islamist government of Prime Minister Recep Tayyip Erdoğan, has multiple frictions with the United States as well as the EU, and wants the West to pay equal attention to Israel's existing—though undeclared—nuclear arsenal and Iran's uranium enrichment.

While Brazil's and Turkey's stance on Iran are each interesting, it is China's position that is the most intriguing and consequential. If China, a major importer of Iranian oil and gas, were to go along with sanctions against the Iranian energy sector, it would indirectly sanction itself. But China's motivations are more complex than simply its energy interests. Post-1949, China has been a longtime target of Western sanctions. Since 1989 to the present day, it has been under a transatlantic arms embargo, not as punishment for external aggression but for domestic repression. Although opposition to sanctions is a core principle of Chinese foreign policy, China does not want to be seen as the willing enabler of Iran becoming the tenth nuclear weapons power in the world. What is China's role in opposing sanctions? And what role do stakeholders have in influencing China's current policy?

Three Rounds of UN Sanctions on Iran

While China opposes sanctions in principle, it has eventually agreed to three previous rounds of UN sanctions on Iran. On July 31, 2006, the UN Security Council adopted resolution 1696 under Article 40 of Chapter VII of the UN Charter, giving Iran until August 31, 2006 to “suspend all enrichment-related and reprocessing activities, including research and development” or face potential economic and diplomatic sanctions. The resolution was approved by a 14–1 vote, with Qatar, as the representative of the Middle East, dissenting. It was the first legally binding resolution on Iran, but it only served as a warning that sanctions would follow in case of non-compliance. To the great annoyance of Iran, Russia and China voted in favor, but only after the Bush administration had abandoned plans for a military attack on Iran, at least for the time being.³ The council called on the director-general of the International Atomic Energy Agency (IAEA) to report by August 31, 2006 on whether or not Iran had “established full and sustained suspension of all activities mentioned in this resolution” and if not, that appropriate measures would be taken, such as preparing a detailed package of sanctions.⁴

Having concluded that Iran had failed to halt uranium enrichment, on December 23, 2006, the Security Council adopted resolution 1737, blocking the import and export of sensitive nuclear materials and equipment while freezing the financial assets of persons or entities supporting its proliferation-sensitive nuclear activities or the development of nuclear weapons delivery systems.

The halt to those activities would be verified by the IAEA. This time, the Security Council requested a report within 60 days on whether Iran had suspended all activities mentioned in the resolution. The ambassador of the United States, John Bolton, especially hoped that it would convince Iran that the best way to “ensure its security and end its isolation was to end its nuclear weapons programme” (emphasis added) and follow the steps outlined in the resolution’s text.⁵

There is more to this than China wanting to protect its vital energy links with Iran.

Upon publication of the new IAEA report after 60 days, the Security Council again deplored Iran’s non-compliance with earlier resolutions 1696 and 1737. On March 24, 2007, the Security Council adopted resolution 1747, which widened the scope of its December 2006 sanctions by banning the country’s arms exports while freezing the assets and restricting the travel of additional individuals engaged in the country’s proliferation-sensitive nuclear activities.⁶ The Chinese ambassador soft-pedaled the more severe draft of resolution 1747, which eventually stated:

The relevant sanction measures should neither harm the Iranian people nor affect normal economic, trade and financial exchanges between Iran and other countries. The Council’s actions should be appropriate, incremental and proportionate, and not aggravate conflict or lead to confrontation.⁷

China’s Continued Reluctance for Sanctions

When President Barack Obama’s policy of engagement failed to elicit any positive response from Tehran by late 2009, Washington and the three European partners in the P5 + 1 (the five permanent members of the Security Council plus Germany) ratcheted up the pressure with threats of a new wave of sanctions. By that time, Congress had tabled a draft of the Refined Petroleum Sanctions Act (RPSA) bill, which was designed to limit Iran’s access to gasoline and other refined petroleum products. The Senate Banking Committee also held a series of hearings on stepping up the financial blockade of Iran. Meanwhile, between June and November 2009, China signed \$14.5 billion worth of contracts with Iran to help expand two existing oil refineries to produce more gasoline domestically and to help develop the giant South Pars natural gas field. Iran’s national oil corporation has also invited its Chinese counterparts to participate in a \$42.8 billion project to construct seven oil refineries and a 1,600 km trans-Iran pipeline that will facilitate pumping fuel to China.

In late September 2009, at the beginning of the G-20 summit in Pittsburgh, a second uranium enrichment facility, hidden under a base of the Revolutionary

Guards near the holy city of Qom, was revealed by Obama himself. Sarkozy demanded “massive sanctions in the financial and energy sectors by year’s end,” while Prime Minister Gordon Brown of the United Kingdom expressed his outrage over Iran’s “deception” without uttering any specific threat.⁸ Outgoing director-general of the IAEA, Mohamed ElBaradei, who has had his share of wrangling with Iran, argued that the latest clamor for urgent action against Iran had been “hyped.”⁹ When Sarkozy called for massive sanctions, however, Jiang Yu, the Foreign Ministry spokeswoman of China, said that “China always believes that sanctions and pressure should not be an option and will not be conducive to the current diplomatic efforts over the Iran nuclear issue.” This statement was not surprising since Chinese companies had already started selling refined oil products to Iran from the Asian spot market, up to 30,000 to 40,000 barrels a day, which was about one-third of Iranian demand.¹⁰ Iran was seeking to

hoard reserves and bust a possible new wave of harsh sanctions later. Iran is dependent on imports for about 40 percent of its refined petroleum and 11 percent of its diesel, despite the country’s status as one of the largest crude oil producers.

Compromise between Iran and the United States, however, seemed to be unexpectedly within reach when the first historic negotiations began on October 1, 2009 in Geneva, after almost 30 years of gridlock. The talks resulted in a tentative

agreement to ship 2,645 pounds, or 70 percent of Iran’s low enriched uranium (enriched at 5 percent) to Russia for further enrichment to 20 percent to create medical isotopes, still substantially less than the 90 percent required for weapons-grade fuel. Then the uranium would be shipped to France to be processed into fuel rods for use in the old 1960s era U.S.-supplied Tehran research reactor to make medical isotopes. The optimism from the agreement, however, appeared to be unjustified as waves of mass demonstrations against the disputed reelection of Ahmadinejad in June 2009 continued unabated, followed by violent repression that was complicated by a debilitating power struggle within the clerical regime, rendering the political decisionmaking process dysfunctional.

On November 27, 2009, the board of the IAEA voted by a wide margin—25–3, including support from China and Russia and six abstentions—to censure Iran for its refusal to accept tighter scrutiny of its nuclear activities. The Western four of the P5 + 1 were now hopeful that China and Russia would also join them during the much more important sanctions drive at the Security Council in

It is unlikely that China took the U.S. warning on the Israeli military threat seriously.

January, but this was far from certain. Whereas Russia cautiously moved closer to the Western position, China had never fully accepted Western suspicions that Iran's nuclear program was not for peaceful purposes. Furthermore, China opposes Western interference in Iranian domestic affairs, favors a negotiated settlement, and opposes more sanctions. The obvious explanation of the Western media was that China wanted to protect its vital energy links with Iran, but there is more to it than meets the eye.

The rise of Iran as a major player in the highly unstable regions of Central and Southwest Asia could be beneficial to China, which is facing instability in its own far Western Muslim-majority region of Xinjiang, bordering fragile states like Afghanistan and Pakistan, where the United States and NATO have failed to bring stability. Iran is a postimperial state, whose historical and cultural influence extends into large parts of Afghanistan, Pakistan, and the former Soviet republics of Central Asia all the way to Persian-speaking Tajikistan on the Chinese border. An op-ed in the *China Daily* has urged the Obama administration to put an end to the war in Afghanistan and instead facilitate the establishment of a peacekeeping force that would include the three major regional powers—China, Iran, and Russia—so that they could play a major role in stabilizing the region after the departure of U.S. and NATO forces.¹¹

The Israel Card

Two weeks before his mid-November 2009 visit to China, Obama pulled out the “Israel card” in his diplomatic struggle to get China on board the “Sanctions Express,” sending two senior White House officials on a special mission to try to persuade Beijing to pressure Tehran to give up its alleged nuclear weapons program. The two visitors, Dennis Ross, a senior adviser and former pro-Israel lobbyist as well as Middle East negotiator with unfavorable views toward Iran, and Jeffrey Bader, senior director of Asian affairs at the National Security Council, informed Beijing that if it would not support the P5+1 process, then the consequences could be severe. The two U.S. officials further told the Chinese that Israel regards Iran's nuclear program as an “existential issue and that countries that have an existential issue don't listen to other countries.” The implication was clear: Israel could bomb Iran, leading to a crisis in the Persian Gulf region that would almost inevitably create problems for the very oil China needs to fuel its economic juggernaut.¹²

The Chinese side did not publicly respond to the Israel-Iran related warning. Instead, it supported a tough resolution at the IAEA, which criticized Iran for flouting earlier UN resolutions. After his meeting with President Hu Jintao of China, Obama said both had agreed that Iran “must provide [more] assurances to the international community that its nuclear program is peaceful and

transparent.” He added that if Tehran “fails to take this opportunity, there will be consequences.” But Hu merely said that “To appropriately resolve the Iranian nuclear issue through dialogue and negotiations is very important to stability in the Middle East.” He did not mention sanctions at all.¹³

Although specific confirmation from the Chinese side—government, think tanks, or media—is not available, it is unlikely that the Chinese side took the U.S. warning on the Israeli military threat seriously. Veteran analysts of China assume that Beijing must have hinted to the U.S. visitors that they should be able to “leash” the Israelis. During 2006, aerial bombardment by the U.S. Air Force, including nuclear devices, was reportedly seriously considered by President George W. Bush, Vice President Dick Cheney, Secretary of Defense Donald Rumsfeld, Under Secretary of State John Bolton, and others, but the Chairman of the Joint Chiefs of Staff Gen. Peter Pace strongly argued against it because of insufficient intelligence. Even if they would carry out serial non-nuclear heavy bunker-busting bombing raids on the very large underground

facilities at Natanz, they still would not know how much damage they had inflicted without U.S. agents on the ground there. It had all the makings of an Iraq-style debacle where intelligence on Saddam Hussein’s weapons of mass destruction was deeply flawed. By summer 2006, the military option was discredited, although rhetorically it was “kept on the table.” Bush then began to work with the EU-3 (France, Germany, and the United Kingdom) to refer Iran to the Security Council for sanctions.¹⁴

How far will Beijing be prepared to go to resist U.S.–Israeli (and European) pressure?

The military option got its final coup de grace in late 2007 when the National Intelligence Estimate (NIE) concluded that Iran had halted its nuclear weapons program in the fall of 2003. The report further clarified that what it meant by Iran’s “nuclear weapons program” was “Iran’s nuclear weapon design and weaponization work and covert uranium conversion-related and uranium enrichment-related work,” and not its declared civil work that is related to uranium conversion and enrichment.¹⁵ Bush and his national security team were deeply suspicious of the NIE as were the Israelis. Then-Prime Minister Ehud Olmert of Israel had always expected that Bush would “finish” the Iran job before he left office in January 2009. No longer confident that he would, Olmert decided to take matters in his own hands.

In 2008, Israeli officials asked Washington for a new generation of powerful bunker-busting bombs, far more capable of blowing up a deep underground plant than anything in Israel’s arsenal of conventional weapons. They also asked for

refueling equipment that would allow their aircraft to reach Iran and return to Israel. Most problematic was the request for the right to fly over U.S.-controlled Iraqi airspace. Bush stalled indefinitely on the first two requests, but instantly and adamantly declined the last one because there was widespread concern that a political uproar in Iraq on the use of its airspace for aggression against Iran could result in the expulsion of U.S. forces from the country.¹⁶

After a series of visits by the top U.S. brass to Israel in 2009, Israeli officials appear to have concluded that without U.S. help, they would not (at least not yet) be capable of hitting the key site in Natanz effectively enough to strike a decisive blow against the Iranian program. Israel, however, continues to issue frequent dire warnings of military strikes on Iran, and the Obama administration continues to reiterate the Bush administration's opposition, while sticking to the rhetoric that "all options remain on the table." Israeli commentary regularly expresses the view that Israel has no realistic military option against Iran without passive or active U.S. support.

In late February 2010, Israel decided to play its own China card against Iran. An Israeli delegation, headed by the Minister of Strategic Affairs Moshe Ya'alon and Bank of Israel Governor Stanley Fischer, visited Beijing for political, security, and economic discussions with senior Chinese officials on the Iranian nuclear program, with the Israeli request for sanctions on Tehran taking center stage. The two Chinese national English-language newspapers that are widely read and quoted by the diplomatic and international media community, *Global Times* and *China Daily*, were quick to cite academics and think tank experts who agreed that the visit would hardly have any impact on China's position. "Tel Aviv has been diplomatically active in protecting its interests, including Netanyahu's visit to Moscow, which made Russia lean toward new sanctions on Iran. Now their lobby squad comes to China with the same purpose," Li Weijian, director at the Mideast Study Center of the Shanghai Institutes for Inter-national Studies, noted. "But China has always maintained that negotiation is the best way to solve Iran's nuclear issue. China's stance will not be affected by pressure by foreign powers."¹⁷ Ye Hailin, a professor of international relations at the Chinese Academy of Social Sciences (CASS), argues that sanctions are not in line with China's interests and that the United States will not be sufficiently grateful to China for finally agreeing to impose sanctions, while "Iran will certainly hate China and the developing countries will think China has no principles."¹⁸

Apart from commenting on and generally rejecting Israeli pressure, the Chinese media did not provide any specifics on the Israeli visit. After the return of the delegation to Israel, *Ha'aretz* quoted diplomatic sources disclosing that the delegation had tried to persuade China to support sanctions on Iran by offering "the full intelligence picture available to Israel on Iran's nuclear program."¹⁹ The

implication was that the U.S. intelligence picture, with its disputed NIE, was not “full.” The Israeli visit was timed just before the IAEA’s annual conference that opened in Vienna on March 1, 2010, mainly because Israel wanted to make sure that China supported the report on Iran published by the new head of the IAEA, Yukiya Amano. Unlike his predecessor ElBaradei, Amano contradicted the disputed NIE of 2007, and discussed the possibility that the information available to the agency “raises concerns about the possible existence in Iran of past or current undisclosed activities related to the development of a nuclear payload for a missile.”²⁰ It was the first time that an IAEA report expressed concern over the weaponization of enriched uranium in Iran.

According to *Ha’aretz*, the Israelis spent two hours presenting the Chinese with an overview of the intelligence information Israel has on Iran’s nuclear program. This was the most detailed overview given by Israel to China in more than three years—basically since Olmert’s January 2007 visit. Fischer provided detailed implications of the effect that a nuclear Iran would have on the world economy, stressing a dramatic rise in oil prices. Alternatives to importing oil from Iran, such as Saudi Arabia, were also discussed. Apart from a rise in oil prices as a result of sanctions, China is also concerned about the impact of sanctions on its deals with Iran on developing railroads, tunnels, and oil fields. These contracts are expected to be highly profitable, so Beijing fears that sanctions could put them at risk.²¹

Mounting Tension between China and the West

In the global game to isolate Iran and craft sanctions at the Security Council with China on board, the United States weakened its hand from the very outset of 2010. In early February, Clinton warned Beijing of “economic insecurity and diplomatic isolation” if it did not sign on to new sanctions against Iran. Days before, however, the Obama administration had announced a \$6.4 billion arms deal with Taiwan including Patriot missiles, adding that a decision about another multi-billion dollar sale of F-16s to Taiwan would be made later. Needless to say, Beijing reacted very strongly. A commentary in the *China Daily* stated that: “From now on, the US shall not expect cooperation from China on a wide range of major regional and international issues. If you don’t care about our interests, why should we care about yours?”²²

U.S.–China relations were further complicated when Obama met with the Dalai Lama in the White House on February 18, 2010. The Taiwan arms deal and the Dalai Lama visit were not the only irritants in U.S.–China relations, but they have multiple precedents and keep coming back seasonally. China experts within the United States in political, diplomatic, and media circles are bewildered that Beijing is making much more fuss over Taiwan arms deals

now than before, and they are only slowly learning why. One obvious reason is that China is far more self-confident now than it was during the previous major crisis over Taiwan from 1995–1997, in which China’s role as a principle supplier of Iran’s nuclear program was a major bargaining chip. At that time, the Clinton administration made some gestures on human rights and Taiwan, and China stopped supplying the Iran nuclear program as result.²³

In recent years, China had become more relaxed with cross-strait détente under the Kuomintang government, but the independence-minded Democratic Progressive Party may one day return to power, and continued U.S. arms supplies will only strengthen separatist sentiment. China’s 50-year-old feud with the Dalai Lama was aggravated after the Tibetan uprising in March 2008 because of the further internationalization of the Tibet issue that the globetrotting Buddhist leader has engineered. China’s coercive diplomacy has succeeded in restricting the Dalai Lama’s meetings with European heads of states somehow, but whether this is sustainable remains to be seen. Obama initially seemed to yield to Chinese pressure, postponing an October 2009 meeting with the Dalai Lama, but for domestic political reasons he could not afford to call it off again in February 2010. The process of Chinese retaliation for the Taiwan arms deal started with the cancellation of high-level military exchanges. How China will retaliate on the Dalai Lama issue was not clear, but there are many precedents in China’s diplomacy in which it retaliates more or less asymmetrically.

The other major U.S.–China disputes—the acrimony at the global summit on climate change in Copenhagen, the row with Google over internet censorship, and the protracted showdown over the exchange rate of the Chinese currency—will basically be settled by technocrats. The top leaderships of the two countries have at least managed to find a way to defuse the high level of tension and resume top-level contact. The U.S. side decided to delay declaring whether China is a currency manipulator, and Hu decided not to stay away from the April 2010 nuclear summit in Washington as was widely anticipated.

In the broader relationship, the Iran issue would remain paramount for the time being and is the focus of a global diplomatic tournament of two groups of squads. On one side will be the EU, Israel, and the United States while Brazil, China, and Turkey will be on the other. Russia will be in the middle, but may eventually side with the EU, Israel, and the United States. How far will Beijing be prepared to go to resist U.S.-Israeli (and European) pressure?

Two Middle Eastern phenomena challenge China’s political model of authoritarian capitalism.

For China, there is much more at stake than the Western campaign to end the Iranian nuclear weapons program by sanctions. The first three rounds of sanctions were imposed by a unanimous Security Council, but thanks to Chinese and Russian efforts, they were diluted to such an extent that they were neither “crippling,” nor “massive,” nor “biting.” They were simply symbolic. During 2008, Bush’s final year in office, the Israelis wanted to embark on their own unilateral military strike against Iran, but without U.S. support, it was a non-starter. With the risk of a U.S.–Iran military confrontation clearly diminished and three rounds of toothless sanctions out of the way, China felt confident enough by early 2009 to make a series of massive investments in Iran’s oil and gas sectors, indicating to the Americans and Europeans that they would have to consider China’s interests and consult with the Chinese. The West did not, and now the sanctions campaign is directed not only at Iran’s nuclear program, but potentially also at China’s energy and other interests in Iran.

Then there are two regional phenomena that challenge China’s political model of authoritarian capitalism. One is the stabilization—despite continuing extreme violence—of the democratic development in Iraq after seven years of full-scale war. The other is the emerging “green” movement after the flawed June 2009 presidential election in Iran, which China was quick to condemn as an attempt by the international community “to push the so-called color revolution toward chaos that will prove very dangerous. A destabilized Iran is in nobody’s interest if we want to maintain peace and stability in the Middle East, and the world beyond.”²⁴ To China’s delight, it was clear by the end of 2009 that such a regime change would not transpire any time soon, and other than the sanctions campaign, regional events were turning in Beijing’s favor.

Chinese Suspicions about U.S. Motives

China regales in its status of what Israeli scholar Azar Gat calls “the returning authoritarian Great Power.”²⁵ Nimble and pragmatic as it is, China has recovered the fastest and fullest from the global financial crisis and has managed to resume its pre-crisis high economic growth. The leaders of this generation are national “purists”—none of this generation was foreign-educated. They are fiercely nationalistic, tough, and do not accept any lecturing from those who have brutalized and humiliated their progenitors.

Japan is already returning to its historical status as a peripheral, secondary state. The EU, considered at one point as a pillar in a global triangular balance of power together with China and the United States, is now downgraded by Chinese strategists from a global to a regional power because of its internal divisions and most recently because of the euro crisis. The United States

itself—the global paragon in everything that is the best in politics, governance, business, education, and more—is no longer in a position to address China from a position of superiority, for the simple reason that President Bill Clinton expressed so well over the years: you cannot fight your banker all the time if you're deeply in debt.

So, how is the United States, along with its “Old World” European allies, going to impose effective sanctions on Iran without hitting its biggest creditor China, which is at the same time the major supporter of Iran? A forum of think tank scholars agreed in the *Global Times* that if the West would impose restrictions on Iran's oil exports, it would be tantamount to a disguised form of sanctions against China, which Beijing would certainly oppose.²⁶ To compensate China for the Iranian oil that would be blocked from flowing there, Dennis Ross had come up with the misguided idea, relayed by Clinton, requesting Saudi Arabia to offer China cheaper oil instead, a notion that China indignantly rejected.

It is not clear that oil-targeted sanctions would work any longer anyway. Yang Guang, director-general of the Institute of West-Asian and African Studies of CASS, pointed out that Iran used to depend on imports for 40 percent of its refined oil products needs. Last year, Iran adopted quotas, rationing oil products that reduced dependence on oil products to 20 percent—essentially half than before. The country has built reserves of oil products, which will help it survive longer. Moreover, neighboring countries would help it bust the sanctions. Yang says that, with Iran's exports, the situation is more serious considering the shortage of spare capacity in the global oil market:

Oil sanctions against Iran would be tantamount to a disguised form of sanctions against China.

Until 2008, when the financial crisis occurred there was only 2 million bpd [barrels per day] spare capacity. Iran exports 2.4 m/bpd and if there is a disruption of supply from Iran, there will be trouble and the need to find an alternative. It is a real risk for China but also for the United States and the world economy as a whole.²⁷

In 2003, when the Bush administration was intoxicated by its success in Iraq, Iran under moderate, reformist President Mohammed Khatami asked for comprehensive negotiations with the United States on all issues between the two nations, which included the Iranian nuclear program; terrorism, including cessation of Iranian support for Hamas and Hezbollah; and opening peaceful relations with Israel.²⁸ Then-Secretary of State Colin Powell, his deputy Richard Armitage, and National Security Adviser Condoleezza Rice favored a positive

response to Tehran, but Bush allowed Cheney and Rumsfeld to kill the proposal with the devastating one-liner: “We don’t speak to evil.”²⁹ The result was a relentless hardening of Iranian attitudes toward the United States and the election of hardliner Ahmadinejad to the presidency in 2005.

Ahmadinejad ended the suspension of uranium enrichment that his predecessor had voluntarily introduced in the dialogue with the EU-3 and embarked on a rhetorical confrontation with the United States. The response of the Bush administration was sanctions, sanctions, and more sanctions, combined with threats of military force. Obama, however, entered the White House with a new policy of engagement. Yet, it failed to elicit timely favorable responses. Now, the Obama administration is back on the sanctions track laid out by the Bush administration, with no options—including military force—kept off the table.

What Happens Next?

Many wonder how Washington can possibly believe punitive sanctions will coerce Tehran this time in ending its uranium enrichment. After all, sanctions did not make a dent in the Iranian edifice during all the previous rounds of confrontation, subversion, and pressure. In fact, it can be even argued that sanctions have hardened the regime even more. The 2006–2008 sanctions were diluted and redefined by China not as punishment, but as inducements to get the Iranians back to the negotiating table. A leading Chinese expert on Iran, Hua Liming, ambassador to Tehran from 1991 to 1995, wonders why the Obama administration insists on proceeding with a fourth round of sanctions, knowing fully well how ineffective they are. In Hua’s view, this illustrates the helplessness of the Obama administration, which could ultimately lead the United States to use force or give Israel the green light to launch a military attack on Iran. According to Hua, “That is exactly what China does not want to see.”³⁰ He reiterates that as long as Iran keeps its doors open to negotiations, the international community should not impose sanctions on it.

In recent weeks, Iran has given indications that it is still interested in a modified version of the uranium swap deal that was negotiated in Geneva in October 2009, but derailed by senior hardliners back in Tehran. It requires heroic optimism to expect quick positive results from negotiations with Iranians, but giving it some more time is probably better than applying powerless UN sanctions that may goad a frustrated EU-3, Israel, and the United States to harsh unilateral sanctions and confrontation that in the end may culminate in military conflict.

By the end of March 2010, China finally agreed to participate in negotiations with the P5 + 1 on a sanctions package against Iran. Like Russia, which favored “targeted, wise” sanctions, China made it clear that it would only agree to less

wide-ranging measures than the Western powers advocated. A spokesman for the Chinese embassy in Washington said:

China has been in close contact with the various parties concerned on the Iranian nuclear issue, hoping that under the current situation relevant parties can show sufficient flexibilities and make substantive efforts, so as to push the issue to move in the direction of a diplomatic and peaceful resolution.³¹

The six had their first closed-door meeting on April 14, 2010 in New York, which was characterized by Chinese ambassador Li Baodong as “very constructive.” According to diplomats, the negotiations focused on a U.S. proposal, incorporating comments from concerned sides, and was categorized into five dimensions: 1) a comprehensive arms embargo; 2) investment check in the energy domain; 3) financial curbs; 4) granted power to seize Iranian smuggling ships; and 5) penalties on the Revolutionary Guards. China and Russia had voiced opposition to energy investment bans and held reservations on authorizing seizures of cargo and other containing materials linked to Iran’s nuclear program. Nevertheless, Chinese spokesmen, whether think tank academics or diplomats, missed no occasion to emphasize China’s determination to uphold the nuclear nonproliferation regime and to restate their opposition to Iran developing or owning nuclear weapons.³²

The Iranian nuclear issue may well drag on for a few more years.

Various outcomes to the negotiations are conceivable. If the Chinese do not succeed in watering down the Western approach substantially, they may use their veto. China has exercised its veto only six times in 38 years on the Security Council and will not do that lightly. In case of a Chinese veto, the United States and its partners would resort to harsh unilateral sanctions, which are in violation of the World Trade Organization, and may lead to multiple trade conflicts. The foreign minister of NATO-ally Turkey, Ahmet Davutoğlu, argued with Clinton at the height of the debate in April 2010 that sanctions against Iran’s Revolutionary Guard—one of the United States’ preferred courses of action—would hurt Iranian society as a whole because of the group’s involvement in so many parts of the country’s economy.³³ The big surprise, not totally excluded with a regime as unpredictable as the Iranian one, would be if Tehran at the eleventh hour would agree to a revised uranium swap-deal, which would calm tensions at least for a while.

The most likely outcome may be that, if a sanctions resolution is agreed, it will undoubtedly be a *soft* one. As an article of faith, Yin Gang, a veteran Middle East expert at CASS declared: “China maintained its consistent stance to address the Iran nuclear issue and will not follow the West. China’s vote will

depend on the specific content of the draft.”³⁴ A series of secret meetings of the six powers have been held with fierce bargaining about their divergent interests. Even if a fourth package of sanctions is reached, not unlike after the three rounds of ineffective sanctions from 2006 to 2008, the Iranian nuclear issue may well drag on for a few more years until the country has nuclear capability short of an operational nuclear arsenal and becomes a virtual or latent nuclear state.

Notes

1. Secretary of State Hillary Rodham Clinton repeatedly advocated “crippling” sanctions during her first year in office. See Jeremy R. Hammond, “Clinton Says Iran Policy Goal to Gain Support for “Crippling Sanctions,”” *Foreign Policy Journal*, April 23, 2009, <http://www.foreignpolicyjournal.com/2009/04/23/clinton-says-iran-policy-goal-to-gain-support-for-“crippling-sanctions”/>. As European and other governments, such as Brazil, were uncomfortable with this glossary, Clinton soft-pedaled since early 2010 and emphasized that sanctions should target the hard core of the Iranian regime and not the Iranian people. President Nicolas Sarkozy’s catchword was “massive” sanctions. See “French Atomic Pique,” *Wall Street Journal*, September 29, 2009, <http://online.wsj.com/article/SB10001424052748704471504574441402775482322.html>.
2. See Charles Levinson, “Israel Weighs Merits of Solo Attack on Iran,” *Wall Street Journal*, April 21, 2010, <http://online.wsj.com/article/SB10001424052748703757504575194223689622084.html>.
3. See Willem van Kemenade, “Iran’s Relations with China and the West: Cooperation and Confrontation in Asia,” November 2009, pp. 82–85, http://www.clingendael.nl/publications/2009/20091100_cdsp_paper_kemenade_iran.pdf.
4. UN Security Council 1696, SC/8792, July 31, 2006, <http://www.un.org/News/Press/docs/2006/sc8792.doc.htm>.
5. UN Security Council 1737, SC/8928, December 23, 2006, <http://www.un.org/News/Press/docs/2006/sc8928.doc.htm>.
6. UN Security Council 1747, SC/8980, March 24, 2007, <http://www.un.org/News/Press/docs/2007/sc8980.doc.htm>.
7. *Ibid.*
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