An Elaboration on the Iran-China Relations in the Path towards and After Joint Comprehensive Plan of Action

Fatemeh Nejadifar

1M.A, International Relations, Science and Research Branch, Islamic Azad University, Tabriz, Iran.

ABSTRACT: Since diplomatic ties between China and Iran were established in 1971, the two countries have developed complex political, economic, and military relations. China has provided much-needed trade and investment to Iran, and as Iran has become increasingly isolated, China has gradually become the dominant external player in Iran’s economy. Chinese companies have played a particularly important role in developing Iran’s energy sector through oil purchases and major investments in resource extraction and infrastructure. Though China rarely trumpets its relationship with Iran, it maintains strong political ties with Tehran, and since the 1980s it has helped strengthen the country’s military with arms sales and military exchanges. Moreover, China–Iran relations typically refers to the economic, political, and social relations between the modern nations of the People's Republic of China and Iran, from the 1950s to the present day. Both the pre-1979 revolution Pahlavi dynasty of Iran and the post-revolutionary Islamic Republic of Iran have had diplomatic ties with China. Although the relations between these two governments are relatively new, trade and diplomatic relations between the peoples and cultures within these two countries have existed since at least 200 BC. Throughout history, China and Iran have developed a friendly economic and strategic partnership. China was crucial in assisting Iran escape deep isolation and rejoin the global economy through the conclusion of the Joint Comprehensive Plan of Action (JCPOA), establishing itself as an arbiter between the United States and Iran throughout the P5+1 negotiations. Beijing had placed as a top priority averting a military confrontation between Iran and the United States, or Israel, which it calculated would have been disastrous not only for Iran, but for Chinese interests in the region. But China’s influential diplomacy in the P5+1 talks was also centered on its long-time strategy for Tehran. The Chinese aim to gradually grow with Iran a multi-dimensional partnership based on mutual understanding and trust, and see in Iran a potential power that could act as its partner in an Asian arena where many see China’s own rise as a threat. China’s “positive” and “constructive” role—laudatory descriptions used by Iranian leaders—in achieving the JCPOA will be an important advance toward its strategic objectives. President Xi Jinping’s January 2016 visit to Iran is an attempt to leverage the political goodwill, created by China’s positive role in the nuclear negotiations, into expanded cooperation in other areas.

KEYWORDS: Iran-China relations, joint comprehensive plan of action, diplomacy, political goodwill

This work is licensed under a Creative Commons Attribution 4.0 International License.
1. INTRODUCTION

China’s role in achieving the JCPOA is not widely understood. The leading players in the Iran nuclear negotiations were, of course, the United States and Iran. However, the Chinese played a significant role in persuading Iranian leaders of the multiple benefits—primarily economic development with substantial Chinese assistance—that Iran would accrue by coming to terms with international concerns over its nuclear program. By securing international recognition for Iran’s ‘right’ to enrich uranium, Beijing demonstrated to Tehran its growing influence and willingness to play a more active role in the Middle East.

Starting in early 2012, China sharply cut its purchase of oil from Iran despite being under no obligation to do so as such reductions were only mandated by unilateral U.S. sanctions rather than the United Nations. In 2012 and 2013, China’s purchases fell 23 percent, constituting 11 percent of the total 46 percent fall in Iranian oil sales during that period. At the same time, Beijing undertook a vigorous lobbying effort toward Tehran with over a dozen high level exchanges between June 2013 and July 2015. The gist of China’s message during these diplomatic exchanges was two-fold. First, failure of Iran to come to terms with the international community’s concerns about Iran’s possible nuclear weapons program would probably lead to war. Second, if war with the United States and Israel could be avoided, a deal reached and international sanctions lifted, China was prepared to extend large scale assistance to Iran’s industrialization and economic development.

2. JOINT COMPREHENSIVE PLAN OF ACTION (JCPOA)

On July 14, 2015, the P5+1 (China, France, Germany, Russia, the United Kingdom, and the United States), the European Union (EU), and Iran reached a Joint Comprehensive Plan of Action (JCPOA) to ensure that Iran’s nuclear program will be exclusively peaceful. October 18, 2015 marked Adoption Day of the JCPOA, the date on which the JCPOA came into effect and participants began taking steps necessary to implement their JCPOA commitments. January 16, 2016, marks Implementation Day of the JCPOA. The International Atomic Energy Agency (IAEA) has verified that Iran has implemented its key nuclear-related measures described in the JCPOA, and the Secretary State has confirmed the IAEA’s verification. As a result of Iran verifiably meeting its nuclear commitments, the United States
and the EU have lifted nuclear-related sanctions on Iran, as described in the JCPOA. On January 1, 2016, the International Atomic Energy Agency (IAEA) delivered its report to the United Nations Security Council confirming that Iran had taken a series of nuclear-related actions and transparency measures pursuant to the Joint Comprehensive Plan of Action (JCPOA). The advent of so-called “Implementation Day” under the JCPOA triggered the lifting of all UN Security Council sanctions as well as multilateral and national sanctions related to Iran’s nuclear program. The E3/EU+3 (China, France Germany, Russia, the United Kingdom, the United States, with the High Representative of the European Union) and Iran concluded the JCPOA on July 14, 2015. Subsequently, the UN Security Council endorsed the JCPOA through the unanimous adoption of Resolution 2231 on July 20, 2015.

Given its role in the Security Council and E3/EU+3 (also referred to as the “P5+1”), China was critical to the accomplishment of this landmark initiative, which has implications for nonproliferation and international security. Additionally, as the world’s second largest economy and the largest export destination for Iranian oil, China serves as a critical lifeline to the Iranian economy and, thus, the stability of the Iranian regime. Beijing’s objection or non-participation would effectively undermine international efforts to sanction or isolate Tehran. This has been aptly demonstrated by Chinese behavior in relation to other Western-led efforts targeting “rogue” regimes.

Therefore, China’s assent and participation in the JCPOA and Resolution 2231 is a notable precedent in diplomatic efforts to combat nuclear proliferation and other issues of global governance. Indeed, the Iran nuclear deal offers significant and sobering lessons in what may be called “multilateralism with Chinese characteristics.”

3. THE PROCEDURE AND CHINA’S UNDENIABLE ROLE

The JCPOA is a political deal – not a legal agreement – based on a series of reciprocal actions taken by Iran and the P5+1. Enforcement of Iranian commitments is achieved through the threat of “snapping back” U.N. sanctions following a unique dispute resolution process set forth in the JCPOA and Resolution 2231.

First, any of the JCPOA participants (any P5+1 state, in the case of an Iranian violation) can instigate a dispute resolution process. If the issue is not resolved to the satisfaction of the complaining state, then that state could treat the unresolved issue as grounds for ceasing
performance under the JCPOA. Thus, for example, if the complaining state were the United States, then Washington could seek to re-impose previously lifted secondary sanctions if its concerns were not satisfied.

Following the JCPOA process and pursuant to Resolution 2231, the complaining state can also notify the Security Council of the issue, and, then, within 30 days, the Security Council must vote on a draft resolution to continue in effect the terminations of the previous Security Council resolutions. If the Security Council does not adopt such a resolution within 30 days, all of the provisions of Security Council resolutions targeting Iran are automatically re-imposed or “snapped back.”

Through the “snap back” mechanism, the Security Council has effectively delegated sanctioning authority to the E3/EU+3, which includes Germany (not a member of the P5). The re-imposition of U.N. sanctions is not subject to a veto by any of the P5. Notably, the Security Council has “primary” but not sole “responsibility” for maintaining “international peace and security” under U.N. Charter, Article 24. Still, the fact that China and other permanent members agreed to this elastic approach to the Security Council’s authority is remarkable.

The credibility of JCPOA’s enforcement relies on global cooperation with “snapped back” sanctions, U.N. or national measures. It is questionable whether countries with vested economic interests in Iran, such as China, have the appetite for another round of sanctions, particular given sluggish growth across the globe. The “snapping back” of sanctions would not have retroactive effect, but there is also no “grandfathering” of contracts signed between any party and Iran.

The Iran nuclear deal is an important precedent in multilateral efforts to address global challenges like nuclear proliferation. China played a pivotal role throughout the decade-long process and China will continue to be a critical player in the maintenance of the JCPOA in the decade to follow. Therefore, it is worth reviewing some key characteristics of the political settlement as influenced by China’s participation.

First, the threat of Iran’s clandestine nuclear program to international security, Tehran’s egregious violation of international commitments, and a global consensus on these issues presented a compelling basis for Chinese cooperation with Western-led efforts to isolate Iran. No doubt the extended time and institutionalized process afforded to Iran further aided Beijing’s decision-making. It is unclear that China would have supported a similar effort if the threat was diffuse, the violation not egregious, or if the major powers were splintered.
Second, even if the above condition is met, China may limit Security Council resolutions to preserve its narrow strategic and economic interests. Every state, of course, may be expected to pursue its self-interests. Acknowledging these interests is key to achieving “buy in” for any multilateral solution. In terms of economic sanctions that directly impact China’s economy, Security Council resolutions may ultimately serve a limited coordinating role for more effective and comprehensive national-level measures.

Third, China’s cooperation on economic sanctions, even if restrained, can achieve results. Simply put, China’s economy is too large to be an exception to any international sanction regime, particularly targeting energy exports. In turn, a slight modification in Chinese behavior can have an immense impact on its trading partners. The U.S. must strengthen its indispensable role in the global financial and banking system in order to induce future Chinese cooperation on issues like North Korea’s nuclear program.

Fourth, China has demonstrated an openness to creative approaches to traditional Security Council responsibilities, but you probably can’t “force” it. The role of the E3/EU+3 and dynamic of the “snap back” mechanism suggests that major powers outside of the P5 like Germany can play material institutional roles in maintaining international peace and security. On the other hand, the U.N. sanctions were only economic in nature (Article 41) and provide no basis for the use of force (or delegated authority to the E3/EU+3 on the use of force). And Germany is not China. In addition, China is more likely to exercise its veto on use of force issues, especially following the acrimony at the Security Council caused by Resolution 1973 (March 2011) and the NATO intervention in Libya.

Finally, and perhaps most interestingly, the Iran nuclear deal is an ongoing bargain in which China has a large stake. The JCPOA sets forth a series of continuing obligations and milestones leading to the termination of Resolution 2231 in a decade. There will be plenty of opportunities for success or failure along the way.

4. DISCUSSION AND CONCLUSIONS

Over the past few decades, China and Iran have developed a broad and deep partnership centered on China's energy needs and Iran's abundant resources as well as significant non-energy economic ties, arms sales and defense cooperation, and geostrategic balancing against the United States. This partnership presents a unique challenge to U.S. interests and
objectives. In particular, China's policies have hampered U.S. and international efforts to dissuade Iran from developing a nuclear weapons capability. This paper examines factors driving Chinese-Iranian cooperation, potential tensions in the Chinese-Iranian partnership, and U.S. policy options for influencing this partnership to meet U.S. objectives. The authors conclude that the U.S. ability to fundamentally reshape China's relationship with Iran is fairly limited, but that the United States should continue to forestall an Iranian nuclear weapons capability and pressure China to reduce ties to Iran. The Paper Concludes that:

- Chinese-Iranian relations are rooted in both countries' having authoritarian regimes and historical narratives that characterize the international system as unjust and dominated by Western powers.
- The Iranian regime views China as a potential ally against the United States, and Beijing views Iran as a potential partner for limiting U.S. influence in the Middle East.
- The foundations of the economic partnership between Iran and China are Iran's abundant energy resources and China's growing energy needs, but China is not overwhelmingly dependent on the Islamic Republic for its energy needs; in contrast, the Iranian regime now depends on China as its chief diplomatic protector.
- Despite their energy cooperation, trade, and shared geopolitical interests, Iran and China have potentially divergent interests on a number of issues.

REFERENCES

7. China Surpassed EU in Oil Trade with Iran (2008), SinoCast China Business Daily News.

This work is licensed under a Creative Commons Attribution 4.0 International License.