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Transcript

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Episode 44: The Nuclear Framework Agreement
and China-Iran Relations

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Zhao: You are listening to the Carnegie–Tsinghua China in the World podcast, a series of conversations with Chinese and international experts on China’s foreign policy, international role, and China’s relations with the world. I am Tong Zhao, an associate in Carnegie’s Nuclear Policy program based in the Carnegie–Tsinghua Center for Global Policy in Beijing. I will be your host today.

I’m very delighted to be joined by Ariane Tabatabai. Ariane is a visiting assistant professor at the Georgetown University School of Foreign Services’ Security Studies program. She’s also an Associate in the Belfer Center’s International Security Program and Project on Managing the Atom, and a columnist for the Bulletin of the Atomic Scientists. She spent a long time in Iran and received her PhD in War Studies from Kings College London. I actually personally had the honor and pleasure to share an office with Ariane for one year when we were both fellows at the Harvard Belfer Center. And last time I guess we met, after leaving Belfer, was during Carnegie’s International Nuclear Policy conference last week, here in D.C., where you actually spoke on a panel about Middle Eastern WMD-free zone. So Ariane, it is really great to see you again and to have you here at Carnegie’s D.C. office. Welcome.

Tabatabai: Thanks Tong, it’s a pleasure to be here in a bit of a different context than we used to hang out in.

Zhao: So Ariane, you have written extensively on the Iranian nuclear program and non-proliferation and regional security in the Middle East. According to the most recent news we just received a couple hours ago, negotiators from Iran and major world powers just reached an agreement today on a framework solution to curb Iran’s nuclear program. But, a final agreement still needs to be worked out by the June 30th deadline. As a result of this breathtaking, last-minute negotiation in recent days, you are being chased by every top media outlet in the world to get your expert reading of the most recent development. So I’m very, extremely grateful that you have agreed and made time to come to share your insight with us at Carnegie. Thank you so much.

Tabatabai: Thank you, it’s my pleasure.

Zhao: So I guess we will start with the Iranian nuclear negotiation, but we will also cover important issues in [the] China-Iran relationship. So I guess my first question is, what role have you seen China play in the G5+1 negotiation with Iran so far? Even though there is this framework agreement, more efforts from all parties are still needed to reach a final deal by the end of June. So what do you think China can do to best help this continuing process?

Tabatabai: Yeah, well you’re absolutely right, this is a major step but there is a lot more that needs to be done in the next few months. In the next couple of months a lot of political will... take a lot of political will to essentially conclude a final deal and make sure that the measures that have been discussed today are going to be implemented for the timeframe of the agreement, which is going to be about 10-15 years.

China has been a fairly quiet negotiating partner so far. Unlike the United States, France, to some extent Russia, it’s been sort of at the background very often. But according to China’s officials, the two sides have gone to them, to come up with solutions when they’ve hit a wall. I think that China actually has a very unique position in this context and it can utilize that to

positively impact the process in the next couple of months and make sure that a comprehensive deal is reached.

One thing that is important is that China has had more involvement in Iran's nuclear plan than some of its other partners. Obviously Russia is the country with the most intimate knowledge of the Iranian nuclear program; it has a monopoly over Iran's nuclear program currently, in a way. It's a supplier for the first and single nuclear power plant operating in the Middle East in Bushire in southern Iran. But, China was involved for a bit in Iran's nuclear program, something that neither the United States nor its European partners have had for now over 36 years. The second thing that is important to note here, beyond the nuclear program, is China's involvement in the Iranian economy, which again a lot of the Western partners haven't had in a very long time in Iran. Iran is now the source of about 9-10 percent of China's oil imports. The trade between the two countries was around \$52 billion last year. So this is... we're talking about a very substantial involvement. Anywhere you travel in Iran you can see some, you know, visible signs of China's presence, in infrastructure, in goods and products, and a lot of it is imported from China. So, the lifting of sanctions is obviously going to be a good thing for China, and I think in that sense China is in a good position to broker a deal and also to gain and to benefit from a potential deal between Iran and the P5+1.

Zhao: Well, one issue that kept the negotiating parties from reaching an agreement is the timing and sequence of sanctions, relief. I mean, it's great that they in the end managed to work out a deal, but there is still this so-called "snapback provision" in the agreement, which basically says that if Iran was found in non-compliance with the agreement, all sanctions will come back in place immediately. I'm interested in the sanction issue because there is some debate about, at the end of the day, what role the economic sanctions play in bringing Iran to the negotiating table and in making Iran agree to make significant compromises.

Among Western experts, there is a general consensus that economic sanctions have been indispensable. But, I guess many Chinese experts and policy makers are not necessarily convinced about that. China itself underwent severe, extensive economic sanctions during the Cold War, and managed not to compromise too much in the end, by tenaciously sticking to a policy of self-sufficiency. This experience, I think, as often argue by some Chinese experts, has convinced China that economic coercion, such as sanctions and embargos, is not effective to induce concessions in important international security issues or issues related to national prestige. So there may be some different perceptions here between Western and Chinese experts. What's your sense on this, since you spent a lot of time in Iran and still visit Iran all the time and have firsthand experience there. How much [of a] role has the sanctions played in affecting Iranian peoples' life and, therefore, making them put pressure on the government?

Tabatabai: So, I mean, obviously sanctions have played their role in the current policy and shaping the current policy of the Iranian government. That said, I think that Chinese experts are right in being a bit more skeptical of the role sanctions have played and the impact of sanctions. I think it too often is taken for granted in Washington that sanctions are the ultimate and the only reason why Iran has come to the table. That is not necessarily true, and that's discounting a number of factors that are extremely important and should be taken into consideration. One factor is domestic politics; in 2009, Iran had a presidential election, as it does every four years, where Mahmoud Ahmadinejad, the previous President, was reelected for a second term. That result was very highly contested, a lot of people said there was some fraud and that Ahmadinejad could not

have actually won the elections. What they ultimately wanted was a recount of the votes. That didn't happen. What ended up happening afterwards was that there was a crackdown on the protestors, there was a series of [pause], there was essentially a lot of unrest for a year after that. And it became known as the Green Movement.

The Green Movement, a lot of people have assumed, has died, and it didn't have any kind of implication. But the truth is that it had a major implication for Iranian domestic politics, and it had a role in assuring that 2013 went the way it went. That is when President Rouhani was elected, making sure that moderates would be able to come into power. That's something that is not often talked about in Washington. The second thing here is that Iran did not just come to the table because it wants sanctions relief. It also came to the table because it wants to engage with the world. One of the things that came up a lot in 2009 in the presidential debates, was folks saying to Ahmadinejad, 'Look, you have isolated Iran from the international community.' And his response was, 'No, look, you know, we have friends in Bolivia and Venezuela.' And people were saying, 'That's not enough for us. We want to engage with more countries. We want to engage with the EU, we want to engage with Asian countries,' so on and so forth. So I think a lot of the reason why Iran has come to the table, especially with this current team, is precisely to open up and to be able to have more of a discussion with the world. This, the current team and the foreign ministry, really has focused a lot on 'Look, we need to learn to be engaging with our neighbors and the region, we need to be engaging with the West, we also need to be engaging with the East.' So all of these are issues that are important to take into account.

Now, on sanctions: yes, sanctions have also played a role. Sanctions were one of the most important parts of the discussion in 2013 in the presidential elections. Very different from four years prior, where people were talking about human rights and, you know, again engaging with the world a lot more. But it's also important to note that not all sanctions are going to be lifted. This is only proliferation-related sanctions. The sanctions on human rights and terrorism and other issues are going to remain in place. So all of the—and this is a very complex web of sanctions that the Iranians and the P5+1 have to deal with. But, ultimately I would say that the short answer is yes, sanctions have played a role, but yes, Chinese experts are right to say that that is not the full story and that there is more to it and their role shouldn't be exaggerated.

Zhao: If there is no comprehensive deal by the end of June, what's the likely response from the Iranian public? Are they going to continue supporting the government's policy, even if they have to continue living under sanctions?

Tabatabai: I think it very much depends on how the process collapses. If there's a collapse because the U.S. Congress has decided to take unilateral action and impose more sanctions, then the answer is the Iranian public won't be pointing fingers at the government—it will be pointing fingers at Washington, as will the rest of the P5+1, I think. I certainly think that Russia, China, and the European partners won't be looking at Iran and placing the blame on Iran, they will be placing the blame on the United States if the negotiations collapse because the Iranians decide to get up and all of a sudden say, 'Actually, we have decided not to give up enrichment—sorry, not to scale back enrichment—at all, we're just going to continue enriching to the degree we have been before the joint plan of action came into effect,' then that will be a bit more difficult. Yeah, I think that the Iranian public will not be as supportive of the Iranian government's policies. So I think it all very much depends on how the process collapses and who's the primary responsible actor for that.

Zhao: Right. If we look at Iran's policy during President Ahmadinejad's term, Iran developed a so-called "Look East" policy, which has drawn much attention from the Chinese experts. So we are very interested to know: what role does China play in this "Look East" policy and whether this policy has been inherited by the Rouhani administration since he came into office in 2013?

Tabatabai: The thing that's important to look at the broader picture here and place the Rouhani government and Ahmadinejad within the broader picture. Obviously, the Islamic Republic was established in 1979, and the aim was to distance itself from the United States and to gain "independence" from the United States, and to sort of go back on what was perceived to be a U.S.-dependent policy under the Shah. And in that context, there was a greater... shift towards some of the other powers. Now, a few years—a few decades, actually—a couple decades after the Revolution, President Rouhani started to look toward the West. Following him, President Ahmadinejad, as you described accurately, started to look East. Now we have President Rouhani who has a bit of both, actually. He is looking West, to some extent. He wants better relations with the EU. I think he would like some sort of detente with the United States, certainly proper normalization is not going to happen any time soon. He also wants to engage with neighbors, but he also values and understands that Russia and China are not actors that he can discount at this point. They're not actors that he can do without. At this point, as we discussed before, China has been playing a very big role in Iran's economy in the past few year, and now the ties are actually expanding. They are no longer limited to the economy, they're also covering military affairs and other areas of cooperation. So China is certainly at the center of that.

You know, it's interesting going to Iran and seeing that there are certain areas in Tehran where you only see folks coming from China who are working for the private sector, for government, who are working with different Iranian businesses, with the Iranian government. And I think that what's going to be interesting to watch is what happens after a deal. So once there's a deal—if there's a deal—in June, then with sanctions relief... if I think that a lot of businesses and the Iranian businesses would like to open up to the EU, but they will certainly continue to work with Russia and China as well. So then there will be some level of competition for Chinese, Russian, and European businesses for the Iranian market. That said, I think that China and Russia are now in a better position than the EU, because China and Russia have been present for the past 35-36 years, whereas the American businesses left and European slowly but surely minimized their presence in the Iranian market as well, whereas China has been sort of increasing its presence there. Now there are a number of younger business owners who don't remember the experience of working with Europeans and Americans, where their parents' generation did. So now what these younger business owners know is working with Chinese partners and they built relationships, they have learned to work with these folks. They have gone back and forth and have Chinese partners who have gone back and forth. All of that facilitates working with Chinese partners and the Europeans and the Americans will have some catching up to do.

Zhao: On the Chinese side, China has started the unprecedented geo-economic project, which is called the One Belt, One Road Initiative, which is short for the New Silk Road Economic Belt and 21st Century Maritime Silk Road. The basic idea is to form an infrastructure network connecting all sub-regions in Asia and between Asia, Europe, and Africa. China is very serious, actually, about this grand initiative, and has designated very high-level officials in charge of the implementation of this project. And during the recent Bo'ao Forum, China went a step forward and issued an action plan for One Belt, One Road. For Iran, Iran actually lies in the Western

intersection point of the One Belt and One Road, and is apparently a very important partner in China's One Belt, One Road Initiative. But how well known is this Chinese initiative to Iran's general public?

Tabatabai: Well, as far as I can tell, it's not really discussed too much in the media, and I'm not aware that the general public is very aware of that. I'm assuming that people who are going to be concerned with this are going to be implicated know about it and follow the issue, but it is not something that has been discussed too much in the public discourse.

Zhao: So I guess my second part of the question is, how is this Chinese One Belt One Road Initiative generally perceived and received, not only within Iran's general public, but also within the Iranian policy and expert community? And more specifically, does Iran see it as a really important opportunity or is it still struggling with trying to figure out what this really means for Iran?

Tabatabai: I think it's very much aligned with Iran's interests and "ideology". Iran wants to expand ties with the powers but not necessarily the United States, for instance, and I think that China, in that sense, like Russia, plays—is a good candidate for that. In terms of what the initiative actually means for Iran, I think it's still trying to figure it out. I don't think it's fully grasped the idea yet, and knows what it wants to get out of it and what it can get out of it. But I think it's something it is still mulling over. That said, I think that one thing that's important to know is, in spite of a lot of increasing ties between China and Iran, there is still a good amount of distrust for China, especially in terms of goods and products and infrastructure. A lot of Iranians don't believe China to be doing a very good job with building infrastructure and with the products it's providing to Iran. So I think that that will be a challenge that will have to be addressed [as well as] reassuring that the products it's receiving, the infrastructure it's getting, meet the standards and are good quality, and are certainly as good as what they would receive from European partners. That's certainly something to bear in mind.

Zhao: Okay. With President Rouhani in power, [the] Iran-China relationship seems to have been more comprehensive in nature. The political and security dimensions of the relationship have developed very quickly in the recent couple of years. We saw Chinese naval ships visiting an Iranian port, they conducted joint naval exercises, and high-level security officials from both countries have talked about cooperation on counter-terrorism, among other things. [Moreover,] It looks like Iran may be accepted as a formal member of the Shanghai Cooperation Organization (SCO) in the not-too-distant future, especially given the most recent development that the United Nations Security Council sanctions over Iran might be lifted in the near future. That, I think, increased the odds for Iran to be accepted formally into SCO in the near future. If that happens, that might actually have important security implications for Iran and for the region. I guess my question is, and this will be my last question, is Iran's membership in the SCO important for Iran, and why? And relatedly, what role do you think Iran may play in the SCO?

Tabatabai: Yeah, well going back to what I was saying previously about the ideology, I think this is very much in line with what Iran, how Iran wants to see the world reshaped. It's very critical of the "West-centric" institutions that are currently the main players in international security and trade and economy, like the World Bank, the IMF, and other institutions. That's why it's been

increasingly going toward the Non-Aligned Movement, and I think this in particular is a very—the Shanghai initiative—is going to be good for Iran in that sense.

Now in terms of what role it can play in there, Iran is trying to increase its presence in central Asia; it has cultural and historic ties to a number of countries in that region. Under President Rouhani, there has been an attempt to grow Iranian exchange and ties with those countries. So I think that in that sense it is going to be working pretty nicely into Iran's policy.... And also if you look at China and China's efforts to increase its presence in the Middle East, Iran as being a very important part of the Middle East, a force to be reckoned with there, it's a substantial and viable partner for China in that sense.

Zhao: Thank you very much, Ariane, again for spending time with us today. I really appreciate it.

Tabatabai: Thank you, Tong, it was a pleasure.

Zhao: Well, that's it for this edition of the Carnegie–Tsinghua China in the World podcast. If you'd like to read or learn more about nuclear policy or China's foreign relationship with Iran and other Middle Eastern states, you can find more articles, events, and podcasts on our website at www.carnegietsinghua.org. I encourage you to visit and see the work of all our scholars at the Carnegie–Tsinghua Center. Thanks for listening, and be sure to tune in next time.