



A Role For China To Rein In Iran

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Beijing is bullish on Iran. In meetings there earlier this month, we heard senior government and party officials express uniform support and optimism in their assessment of the nuclear agreement struck this summer between the Islamic Republic and the P5+1 powers, terming it "good for Iran and good for the world."

The first part is certainly true. Iran has emerged as the undisputed winner of the long-running negotiations with the West over its nuclear ambitions.

The Joint Comprehensive Plan of Action, as the agreement is formally known, doesn't dismantle Iran's nuclear infrastructure as the White House originally promised. Instead, it provides Tehran with a slow but steady path to the bomb over the coming decade, even as it supplies Iran's ayatollahs with an unprecedented economic windfall.

The second part is far less clear. The enormous economic relief inherent in the JCPOA (some \$100 billion or more in the coming year) will likely fund the Iranian regime's destabilizing behavior on a number of fronts, from support of international terrorism to long-delayed military modernization. These trends will challenge the U.S. and its allies in new and serious ways.

China's leaders, however, see things quite differently. For them, Iran today is more an economic opportunity than a strategic threat. Which is why Beijing is now busy making plans to expand its presence within the Islamic Republic.

Such engagement is certainly not new. Beginning in 2011, in response to widening Western sanctions over its nuclear program, Iran executed its own "pivot" to Asia, deepening its ties to the region's states and markets as a way of avoiding economic isolation.

China was prominent among these new partners, and by early 2013 Beijing had emerged as a bona fide economic lifeline for Tehran. It purchased roughly half of the oil sold abroad by the Iranian regime.

With the start of international diplomacy over Iran's nuclear program in November 2013, China's stake strengthened further. As a core member of the P5+1, China assumed a key role in the negotiations, even as its imports of Iranian crude soared. But the tempo of Beijing's overtures to Tehran has quickened noticeably since the signing of the JCPOA - a reflection both of market conditions and larger Chinese strategy.

China now sees both volatility and opportunity in the Iranian market. The conclusion of the JCPOA has spurred a rush of eager foreign investors into the Islamic Republic - a deluge that Iran has sought to nurture by, among other things, proffering concessionary contracts in its energy sector. As a result, officials in Beijing now worry that, unless they act decisively, they could soon find themselves marginalized in the postsanctions Iranian economic scene. (Recent moves by Iranian petrochemical firms away from Chinese investors in favor of European financing have only reinforced these fears.)

But China's deepening links to Iran also reflect Beijing's evolving view of itself as an important strategic broker. Chinese officials today speak more openly than ever before about their country's strategic coming of age and the need to assume a "bigger role" in world affairs. In various theaters - from the South China Sea to the Middle East - China is acting on this conviction. Engagement with Tehran is part and parcel of Beijing's increasingly ambitious global vision, especially now that the threat of Western sanctions has subsided.

This engagement represents a point of leverage for the West. During last month's summit in Washington between U.S. President Obama and Chinese President Xi Jinping, matters such as cybersecurity and climate change ranked high on the bilateral agenda. Iran did not. Yet pressing Beijing to exert its extensive influence over Tehran to force it to steer a more moderate course can and should be a top American priority.

After all, with global prominence comes added responsibility, and China's rise must be mirrored by concrete moves demonstrating it is prepared to help solve pressing international security dilemmas. The willingness to do so in the case of Iran is a litmus test for how Beijing sees its new, expanded role - and how we should, as well.

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