

MIDDLE EAST NOTES AND COMMENT

China's Hard Choices on Iran

by Jon B. Alterman

On Iran, China increasingly seems to be the odd man out. Not only have the French taken a surprisingly hard line in international efforts to regulate the Iranian nuclear program, but there are signs Russia may be stiffening its resolve as well. China, by contrast, seems invariably to caution patience; meanwhile, Chinese firms are expanding into the Iranian market at the same time that many international actors are leaving.

There was a time not so long ago when China would have been expected to undermine Western policy. In the 1960s and 1970s, the People's Republic worked to chip away at the status quo through support for insurgent groups and anti-colonial movements around the world. That time, however, has clearly passed. China's economic growth in recent decades has become increasingly contingent on global stability, and almost by stealth, China moved from being a revolutionary power to being a status quo one.

Chinese emotions do not match their interests, however. Chinese scholars still rail against Western hegemony, and Chinese diplomats speak solemnly about the importance of non-interference in the affairs of other states. At least verbally, China has called for Persian Gulf security to be the responsibility of the states bordering the Gulf, implicitly calling for a U.S. withdrawal.

At the same time, however, a lessened U.S. role in global security is the last thing China wants. The fact of the matter is this: The United States protects the flow of energy that is China's lifeline. About a third of China's imported oil comes from the Persian Gulf, a waterway that is under a direct U.S. security umbrella. The United States also patrols the sea-lanes that take the oil to Chinese waters from the Middle East, providing an invaluable service that the Chinese navy is incapable of providing.

China seems to be seeking to enjoy the best of both worlds. Its firms deal actively with Iran, not only trading manufactured goods in exchange for oil and

(continued on page 2)

The Good Life, Delivered

What do fast food, high-end electronics and waterpipes have in common? If you live in a Middle Eastern capital, the odds are good you can get any one of them delivered to your front door in under an hour. Websites in Egypt, Jordan, and throughout the Gulf are making online ordering faster and easier than ever—allowing customers to use centralized websites to order from their favorite restaurant menus and product catalogs.

Prepared food is the most common product delivered. Website ordering is not only fast and precise, but bilingual websites also help expatriates navigate a world in which their command of the local language is often imprecise.

Wheels Express, a Jordanian firm, offers a portable party. In addition to delivering movies, videogames and snacks in West Amman, Wheels Express promises to deliver a waterpipe with any of 19 flavors of tobacco within sixty minutes; the delivery comes with lit coals for the pipe.

One site in Dubai is even more ambitious. Brownbag.ae, an English-only site, promises to deliver anything its customers order to anywhere in Dubai in under an hour, twenty-four hours a day. Its products range from \$2 cartons of cigarettes to iPod speakers priced at over \$1000. The site also delivers many other products, including food, movies, and office supplies—with laptops and iPods coming soon.

Some of the sites are even going international. Otlob.com, a large Egypt-based site, has already opened partner sites in the UAE, Saudi Arabia, and Bahrain. ■ AR

The New Silk Road

At its September Gulf Roundtable, the CSIS Middle East Program hosted Ben Simpfendorfer, chief China Economist for the Royal Bank of Scotland. Simpfendorfer discussed the Arab world's rediscovery of China and the origins of this burgeoning relationship, which he characterized as essential to China and beneficial to the Middle East—but inherently unnatural for both regions on a cultural and intellectual level. And while Chinese exports to the Middle East are challenging Arab economies, Simpfendorfer predicted that the Middle East will remain eager to learn from the "Chinese experiment" in economic growth. Listen to Simpfendorfer's presentation and read the full summary [HERE](#). ■

gas, but also investing growing amounts in the underdeveloped Iranian energy sector. The world considers Iran to be damaged goods, and Chinese traders get good deals for being willing to go where others will not. At the same time, China is wholly reliant on the United States to police the Gulf, to provide reassurance to Iran's neighbors, and to stave off an Israeli military strike. China's desire, it seems, is to rely on others to shape the environment, while China tries to maximize its own interests within that environment.

It is a desire that is harder and harder to fulfill. When Russia was more openly skeptical of Western policy toward Iran, Russia would take a hard line in international meetings, and China would tag along. To a large degree, China did not have to make any hard choices. With Russia potentially drifting closer to the Western camp and its president speaking about the inevitability of sanctions, China's choices may soon become more difficult. China can no longer hide in the middle; it now finds itself on the extreme. China's position on Iran—and on a growing number of international issues—is consequential. Without a shift in the Chinese position toward Iran, or a sudden softening of the Russian position, a serious Sino-American clash seems inevitable.

This is ironic, because China's strategic interests in the Gulf are almost wholly aligned with the United States. China needs the U.S. naval presence in the Gulf, and it can ill afford the fallout of military action. A nuclear Iran is surely against China's interests, both because of its implications for Gulf security and non-proliferation. Anything that raises oil prices hurts China badly. By contrast, Russia has little interest in bolstering the U.S. security role around the globe, and as a major energy exporter has little interest in low prices. And yet, China finds itself the odd man out.

China's awkward position on Iran is part of a deeper shift. China has been a nuclear power for almost a half century, but it has not been a global power until recently. China's current diplomacy seems to hark from an earlier time, when China was a relatively marginal player and lacked the power to shape the outcome of world events. Confronting huge internal challenges for decades, China has shied away from taking on major international obligations.

As China's footprint in the Middle East expands, and as its strategic interests in the Middle East increase, China's actions in the region are increasingly consequential. With billions of dollars in bilateral trade and the prospect of much more to come, Chinese decisions shape the decisions of governments throughout the region. China has become far too big to hide in the corner, and the time when it could do so seems unlikely ever to return.

None of this is to say that China must mindlessly sign up to whatever the United States is proposing on Iran. China has its own national interests and its own approach to diplomacy, and it is neither surprising nor inappropriate that they not always align with those of the United States. At the same time, however, China must recognize that its pursuit of commercial deals not only affects Chinese interests, but affects those of Iran, its neighbors, and the international community.

This broader set of interests is likely to bring the Chinese around in the coming months. Saudi Arabia supplies China with far more oil than Iran does, and it is deathly afraid of the Iranian nuclear program. Similarly, Israel has been an important military partner for China, and its fears of a nuclear Iran run even deeper. Finally, the United States is China's most important bilateral partner, and China seems unlikely to pursue a strategic confrontation for mere monetary gain.

How well China adapts its policies will be an important test for Chinese diplomacy. Equally importantly, it is another sign that China is a growing power in the Middle East. Its choices will not get easier. ■ 10/13/09

Links of Interest

Jon Alterman was quoted by Agence France-Presse in [“Obama seeks to steal show and show steel at G20.”](#)

Jon Alterman was quoted by the Associated Press in [“Analysis: Obama presidency at pivotal moment.”](#)

Jon Alterman was quoted by the *Khaleej Times* in [“US seeks consensus, not breakthrough at UN meet.”](#)

The Middle East Notes and Comment electronic newsletter is produced by the Center for Strategic and International Studies (CSIS), a private, tax-exempt institution focusing on international public policy issues. Its research is non-partisan and nonproprietary. CSIS does not take specific policy positions; accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author(s). © 2009 by the Center for Strategic and International Studies.

The CSIS Middle East Program

Jon B. Alterman
Director

Haim Malka
Deputy Director

Michael Dziuban
Program Coordinator/Research Assistant

Allison Hutchings
Amanda Rudman
Daniel Charles
Interns