

Thesis Prospectus

Factors Influencing Sino-Iranian Missile Transfers and Implications for Regional Security

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Paul Alexander Kynerd

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Professor Gang Guo, Mentor

University of Mississippi

B.A. in International Studies

Croft Institute of International Studies

Sally McDonnell Barksdale Honors College

Center for Intelligence and Security Studies

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Introduction

In recent years, China has been increasingly powerful nation on a global scale. Consequently, China has been developing a Middle East strategy; scholars argue this strategy is mainly for economic gains rather than to exert political power. China's past sales and possible future actions are a threat to both regional and global security. The questions posed in this study are: 1) From a quantitative standpoint, what are the most influential factors in missile sales by China to other nations; and 2) What are the implications on regional security from those sales. Data will be collected via a number of sources, including document review and from a number of databases to ensure data reliability and validity. Following collection, the data and documents will be analyzed through analytical techniques used by the intelligence community and statistical analysis and a conclusion will be drawn based on the empirical evidence. The structure of this research will be similar to the intelligence community's National Intelligence Estimate (NIE).

Study Background

According to Rubin, in 1990 the Middle East became China's fourth largest trading partner, with China's main profits coming from arms sales, primarily to Iran. Despite the potential profits in selling missiles to Iran, China also runs major risks. Rubin suggests four major problems with the Sino-Iranian relationship. First, Iran is a major threat to regional security. Second, since the United States considers Iran a leading harboring nation for terrorism, the US strongly discourages China from selling arms to Iran. Third, Iran seeks to develop and build arms and thus encourages China to sell arms, thereby requiring China to violate international nonproliferation treaties and commitments. Finally, China is Iran's primary supplier

of unconventional arms.¹ According to Kapila, Iran is likely to be China's only "worthwhile" political and military ally in the Middle East². Considering their past relations and Iran's aggressive nature, the relationship between the nations in dealing with missiles is likely to be a continuing threat to global stability.

Purpose and Scope of the Study

The intrinsic importance of the issue of missile proliferation to international security naturally leads to a vast amount of research on the subject. Research products regarding missile sales from China to Iran is generally either primarily quantitative or qualitative in nature. This product seeks to form an objective and thorough examination of the issue through statistical analysis which then be formed into a piece of actionable intelligence usable by the Intelligence Community.

Methodology

This thesis is divided into two portions: first, a quantitative analysis of general factors influencing missiles sales and second, an analysis of prior missile sales and their usage in order to extrapolate the implications of possible future missile transfers from China to Iran.

Variables

The statistical portion of the research investigates the correlations between China's missile and social, economic, political, and conflict factors. The data will cover a wide range of years to take into account the effect historical events may have on the missile transfers between

¹ Rubin, Barry. "China's Middle East Strategy." *Middle East Review of International Affairs*. 3,1. Mar 1999. <<http://meria.idc.ac.il/JOURNAL/1999/issue1/rubin.pdf>>

² Kapila, Subhash, Ph.D. "Iran in the Strategic Matrix of Russia, China, and India: An Analysis." South Asia Analysis Group. 2005. <<http://www.southasiaanalysis.org/papers13/paper1284.html>>

the two nations. The database used for analysis is an amalgamation of several other databases including the Missile Trade Registers of the *SIPRI Arms Transfer Database* compiled by Stockholm International Peace Research Institute, *Major Episodes of Political Violence (MEPV) and Conflict Regions, 1946-2008* and *Political Regime Characteristics and Transitions, 1800-2009* compiled by Monty G. Marshall at the Center of Systemic Peace,³ and population and GDP data from the *World Development Indicators & Global Development Finance* report from the December 2010 report from the World Bank.⁴

In setting up a theoretical framework, social, economic, political, or conflict factors alone cannot fully explain missile proliferation. Indubitably, there are factors not included in this analysis that affect the exportation and importation of missiles. This product attempts to analyze a variety of factors that influence missile transfers to paint a more holistic picture of the reasons behind China's missile transfers by first comparing the independent variables of GDP, GDP per capita, population, major episodes of political violence, regional conflict factors, and historical events in assessing the correlation between these factors and the dependent variable of missile transfers using the SPSS statistical analysis software using data from the years 1980 to 2010. Past pertinent events will be included as independent variables in the creation of a time series analysis to account for major shifts in global political structure and international conflict, most notably the Iran-Iraq War and the Cold War.

³ Integrated Network for Societal Conflict Research. Center for Systemic Peace
<<http://www.systemicpeace.org/inscr/inscr.htm>>

⁴ The World Bank. "GDP (Current US\$)"
<<http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>>

The qualitative portion focuses on tailoring the research analysis into an actionable form of intelligence. The section will be structured in the form of an NIE, with a scope note, key judgments, and an in-depth discussion of the issue.

Feasibility of the Study

The aforementioned data on missile transfers as well as political, economic, and demographic information is readily available in various databases. The author is proficient in the use of data analysis software and analytical techniques generally used by the intelligence community.

Literature Review

History of Missile Proliferation and Usage

Since World War II, missiles have been an integral weapons used by national militaries and non-state actors.⁵ The Cold War significantly affected the relations between Iran and China. In the mid-20th Century, China held a largely anti-Shah position as China viewed the Shah as a toy of the United States' interests in the Middle East. However, with the split between China and the Soviet Union, China and Iran found a common enemy in the Soviet Union. In the 1970s, Iran supported China's entry into the UN, though their relationship was still largely based on mutual animosity towards the Soviet Union as opposed to a cultural and economic relationship. After Khomeini took power, China began to increase its relations with Iran. Though many communists were executed in Iran under Khomeini's regime and China persecuted Chinese Muslims in its eastern provinces, the two nations remained on mutually cordial terms. Sino-Iranian military

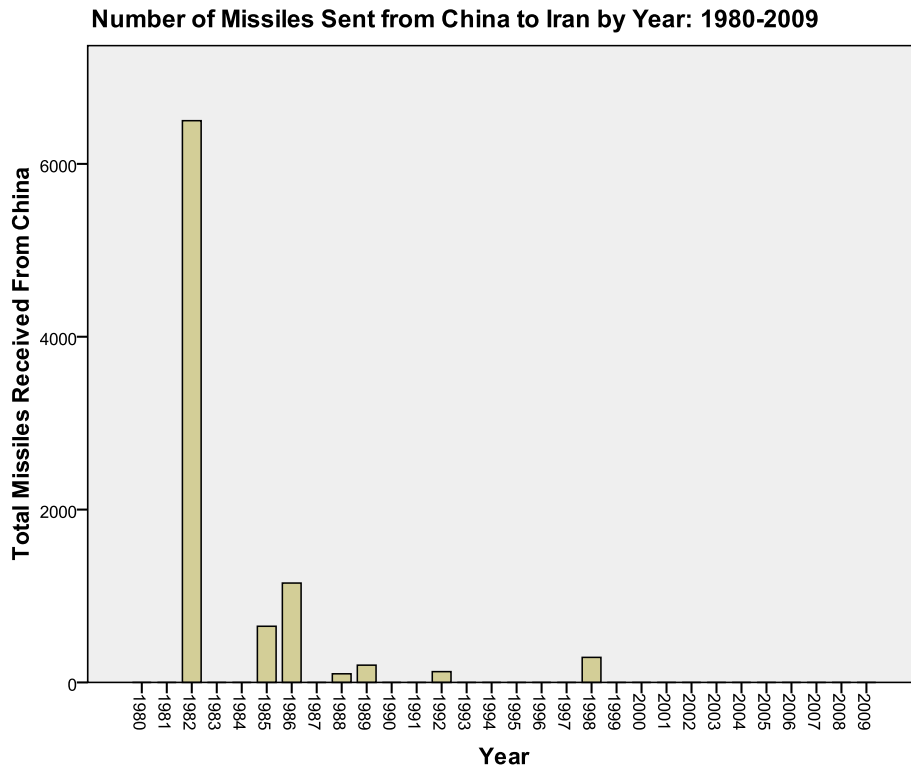
cooperation began with the Iran-Iraq War. Though China supplied arms to both sides, China viewed Iraq as loyal to the Soviet Union. After turbulent events in both nations in the late 1980s, Iran relied on supplies from China to rebuild its military prowess.⁶ Following the fall of the Soviet Union, third world nations, most notably China, have become involved in the international arms trade.⁷

Between 1980 and 2009, China is confirmed to have exported 17857 missiles to nations around the world.⁸ The following chart shows the trends of transfers of the 9015 missiles to Iran during these years:

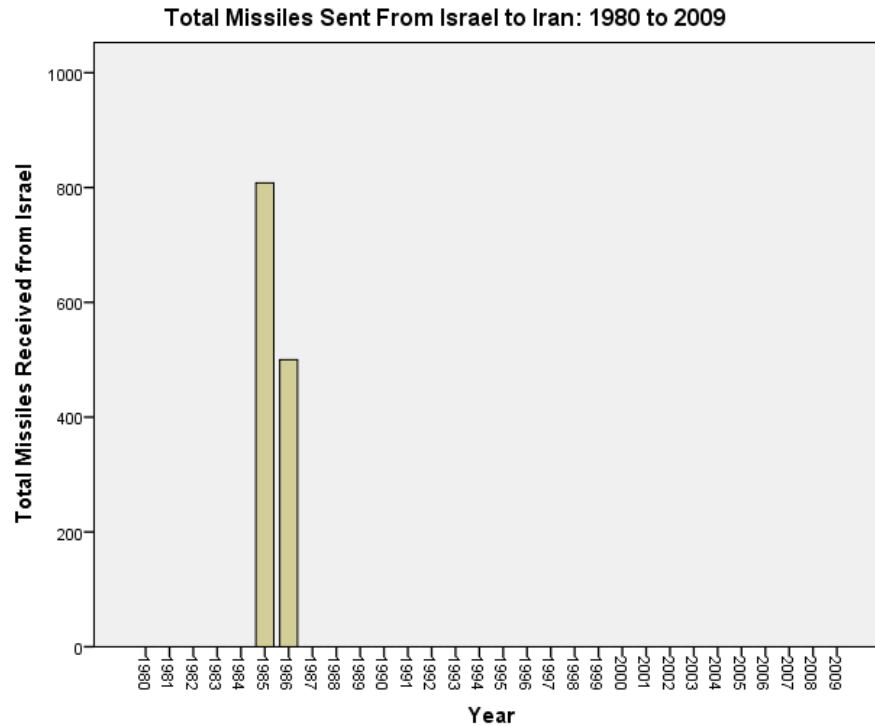
⁶ Gentry, Brandon J. "The Dragon and the Magi: Burgeoning Sino-Iranian Relations in the 21st Century." *The China and Eurasia Forum Quarterly*: 3,3. Nov 2005. <http://se2.isn.ch/serviceengine/Files/RESSpecNet/32217/ichaptersection_singledocument/65148D33-C647-4825-81B4-6562E919FD30/en/12_Dragon_Magi_Burgeoning.pdf>

⁷ Bitzinger, Richard A. *Arms to Go: Chinese Arms Sales to the Third World*. *International Security*. 17,2: 1992. <<http://www.jstor.org/stable/i323299>>

⁸ SIPRI Arms Transfer Database. <http://armstrade.sipri.org/armstrade/page/trade_register.php>



Most of these missiles were sent in during the Iran-Iraq War in 1982, though China continued to provide missiles to Iran after the war as well. During the same years, the U.S.S.R/Russia sent 126,117 missiles to other nations, while Israel sent 34522 missiles. Russia sent no missiles to Iran between 1980 and 2009. Israel sent 1,308 missiles to Iran between 1980 and 2009. The following chart shows the timeline of missiles sent from Israel to Iran.



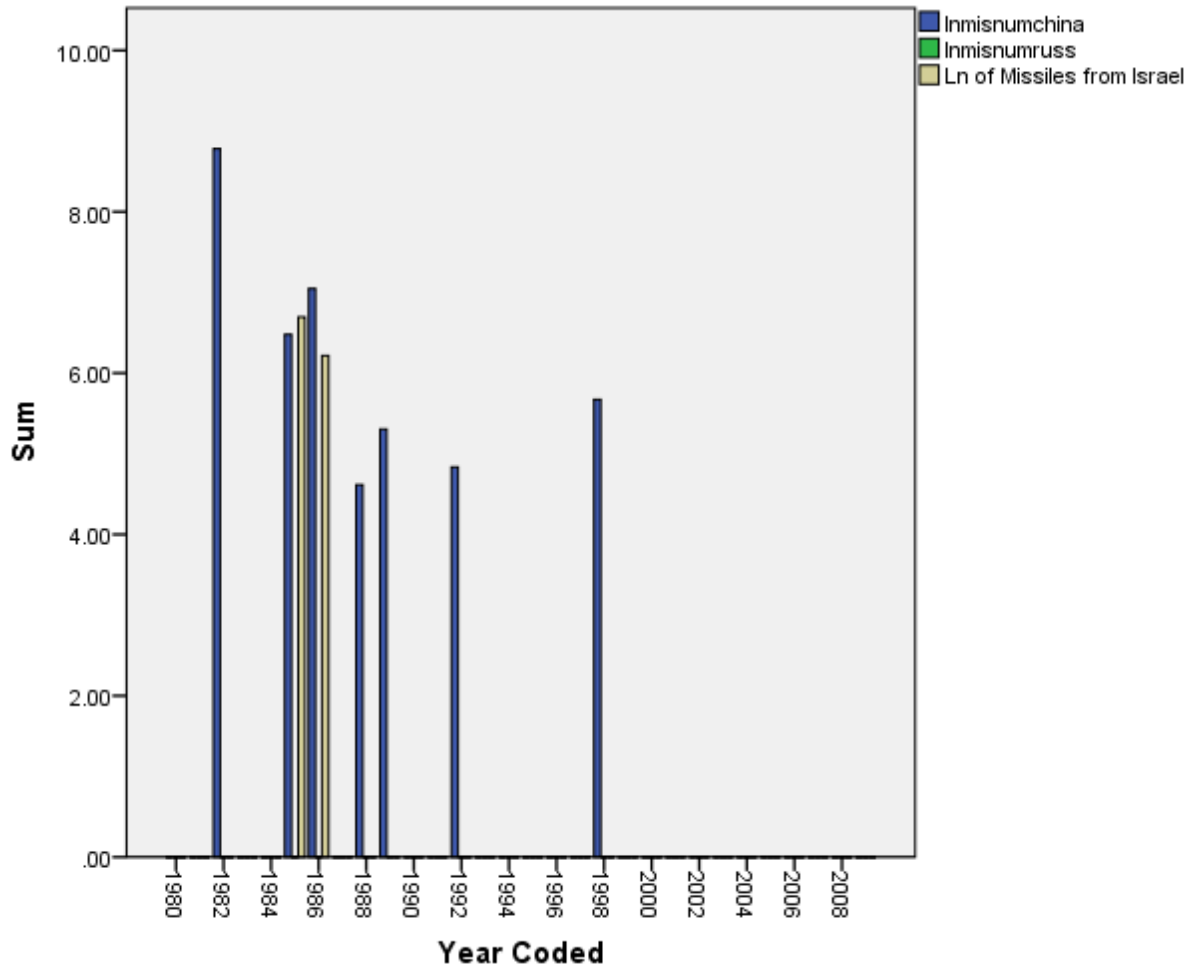
From a national security standpoint, experts are worried China is exporting to nations that will use the weapons offensively against the United States or our allies.⁹ For example, Iran, Pakistan, Yemen, and Afghanistan are some of the main importers of missiles from China. The former USSR and today's Russia have continued to be a huge source of missile proliferation. In 2000, President Clinton met with Vladimir Putin to discuss the threat of growing missile proliferation, particularly in regards to delivery mechanisms for weapons of mass destruction.¹⁰

In the early months of 1988, Iraqis launched 160 SCUD missiles toward Tehran, just a miniscule portion of the vast quantities of missiles fired between the two countries during the

⁹ The Nuclear Threat Initiative. "China's Missile Exports." 2007. <<http://nti.org/db/china/mexport.htm>>

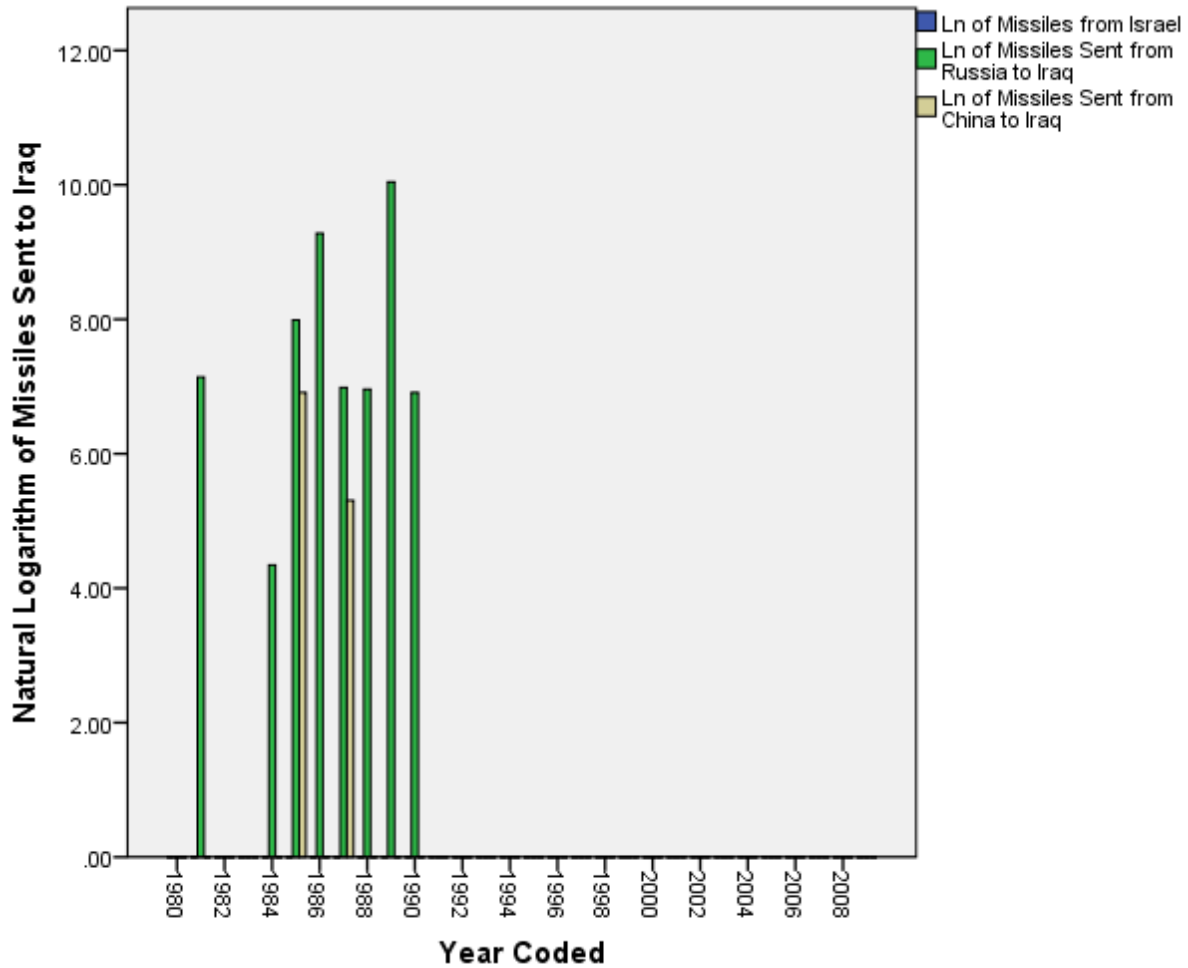
¹⁰ Smith, Mark. "The MTCR and the Future of Ballistic Missile Non-Proliferation. Disarmament Diplomacy. Issue No. 54, February 2001. The Acronym Institute for Disarmament Diplomacy. <http://www.acronym.org.uk/dd/dd54/54smith.htm>

Iran-Iraq War.¹¹ During the war, China sold at least 8,400 missiles to Iran and 1,200 missiles to Iraq. The following chart shows the natural logarithm of missiles sent to Iran and Iraq during the years 1980 and 2009 by the former USSR/Russia, Israel, and China.



¹¹ McNaughter, Thomas L. "Ballistic Missiles and Chemical Weapons: The Legacy of the Iran-Iraq War." *International Security*. 15,2: 1990.

<<http://www.jstor.org.umiss.lib.olemiss.edu/stable/2538864>>



Non-Proliferation Policy

The Missile Technology Control Regime (heretofore referred to as MTCR) is a voluntary agreement between 34 nations which share the goals of “non-proliferation of unmanned delivery systems capable of delivering weapons of mass destruction.”¹² The MTCR was established in 1987 by the G-7. Basically, the regime is a voluntary association of nations which share goals of unmanned weapons delivery systems, including rockets and other equipment, materials, and technology. The objectives specifically refer to restricting proliferation of “missiles, complete rocket systems, unmanned air vehicles, and related technology...capable of carrying a 500

¹² The Missile Technology Control Regime. <<http://www.mtcr.info/english/index.html>>

kilogram payload at least 300 kilometers.”¹³ In several instances, China has considered becoming a partner of the agreement, including in 2000 and 2004,^{14,15} but so far has declined to join and instead simply agreed to adhere to the stipulations without signing. It seems being a signatory to international agreements does not imply China will comply with those stipulations. However, reports indicate China has not ceased from selling missiles and missile technology to nations such as Pakistan.¹⁶ In fact, according to the Congressional Research Service, Kan suggests China’s proliferation activities “have continued to raise questions about China’s commitment to nonproliferation and the need for U.S. sanctions.”¹⁷

Stages of Research

The author will first conduct a rigorous literature review on past research and historical information regarding missile proliferation. Scholars state that the underlying factors affecting missile sales from China to other nations are by and large financial. This product will evaluate the role of economic factors in comparison to political, social, and conflict factors in order to either validate or invalidate prior literature and research on the subject. Secondly, most literature on Sino-Iranian missile transactions is formatted in an intricate and detailed empirical manner. The formatting of this document will make the included information more accessible to policymakers and form it into a piece of actionable intelligence.

¹³ Ibid.

¹⁴ Arms Control Association. “The Missile Technology Control Regime at a Glance.” <<http://www.armscontrol.org/factsheets/mtr>>

¹⁵ Joseph, Anil K. China ready to join MTCR to control missile proliferation. Rediff: India Abroad. Jun 2004. <<http://www.rediff.com/news/2004/jun/03mtr.htm>>

¹⁶ Ibid.

¹⁷ Kan, Shirley A. “China and Proliferation of Weapons of Mass Destruction and Missiles: Policy Issues.” *Federation of American Scientists*. 9 November 2011. <<http://www.fas.org/sgp/crs/nuke/RL31555.pdf>>

The first section of this research will largely be a quantitative analysis comprised of a number of subsections. The first subsection will be a statistical analysis of the aforementioned internal political, social, and economic factors and the correlations between missile transfers. The second subsection will focus on regional and historical factors, including major episodes of political violence in the region, number of bordering states involved in conflict, and the roles of non-proliferation and historical events including the tragic US World Trade Center terrorist attacks on September 11th, 2001, end of the Cold War, and the Iran-Iraq War play in determining missile transfers. A number of hypotheses will be outlined to be focal points of the quantitative research.

Hypothesis 1: Economic factors, in comparison to political and socio-economic factors, are more heavily correlated with missile transfers from China to Iran.

Hypothesis 2: Historical events play a statistically significant role in determining missile transfers from China to Iran.

The second section will be a qualitative analysis of the effects of missile proliferation by China to the region. The scope note addresses the key questions of the assessment. The key judgments section makes essential predictions and the likelihood of those predictions as well as generally justifications of those judgments. Finally, the discussion reports on historical information, past and possible future implications of the missile sales, and analysis of the issue using advanced techniques including value-added analysis of competing hypotheses (ACH). A conclusion will then be drawn based on the prior analysis of data as to the implications for regional stability.

Descriptive Statistics

Missiles Sent from Various Countries to Iran: 1980 to 2009

	N	Minimum	Maximum	Sum
Total Missiles Received from Israel	30	0	808	1308
Total Missiles Received from Russia	0			
Total Missiles Received From China	30	0	6500	9015

Missiles Sent From China Globally: 1980 to 2009

Region	% of Total Sum	Sum	Regional Polity Score
Africa	11.7%	2094	-2.13
Asia	21.9%	3907	0.23
Europe	1.8%	315	6.78
Middle East	60.1%	10740	-4.58
North America	.0%	0	5.00
Latin America	3.1%	553	6.01
Former USSR Territories	.0%	0	-0.08
Oceania	1.4%	248	5.45
Total	100.0%	17857	