

Wang Wen: China's Perspectives & Role in the Iran War

Prof. Wang Wen discusses China's approach to the Iran War. Prof. Wang Wen is the Dean & Professor of Chongyang Institute for Financial Studies at Renmin University of China (RDCY). He is also the Deputy Dean of Silk Road School, Distinguished Professor, and Executive Director of China-US People-to-People Exchange Research Centre at Renmin University of China. He serves as the Secretary-General of the Green Finance Committee of the China Society for Finance and Banking, a Research Fellow at the Financial Research Centre of the Counsellor Office of the State Council of China, and a visiting professor at more than 10 universities around the world. Follow Prof. Glenn Diesen: Substack: <https://glennDiesen.substack.com/> X/Twitter: https://x.com/Glenn_Diesen Patreon: <https://www.patreon.com/glennDiesen> Support the research by Prof. Glenn Diesen: PayPal: <https://www.paypal.com/paypalme/glennDiesen> Buy me a Coffee: buymeacoffee.com/gdiesen Go Fund Me: <https://gofund.me/09ea012f> Books by Prof. Glenn Diesen: <https://www.amazon.com/stores/author/B09FPQ4MDL>

#Glenn

Welcome back. We are joined today by none other than Wang Wen, Professor and Dean of the Chongyang Institute for Financial Studies and Dean of the School of Global Leadership at Renmin University of China. Thank you for taking the time. I know you're a big voice in Beijing, so I appreciate you taking the time to speak with us. Thank you.

#Wang Wen

Thank you, Professor. Every time I have a conversation with you, I really enjoy it.

#Glenn

Likewise. Today, though, I wanted to focus a bit on how China is affected by the war in Iran, because it does impact China in many ways. So, yeah, I guess my very first wide question would be how Beijing interprets this war against Iran. Is it seen mainly as a regional conflict between the U.S. and Iran, or do you see it in the context of a much wider systemic rivalry that also includes China?

#Wang Wen

Well, I think the Chinese government's stance regarding the current conflict between the U.S. and Iran is very, very clear. China emphasizes the resolution of the dispute through political negotiation and opposes any unilateral military action not authorized by the UN. The Chinese side has repeatedly

called for a ceasefire and an end to hostilities, advocating for respect for Iran's sovereignty and legitimate development rights, while opposing the maximum pressure campaign and long-arm jurisdiction.

#Glenn

And I think that.

#Wang Wen

The position adopted by the Chinese government is not only grounded in the principle of international law, but also reflects China's own strategic interests, specifically its status as a major energy importer and staunch advocate of multilateralism. And more importantly, I think it originates from the ultimate imperative to safeguard global peace. Because as a scholar, I must say, in today's world, there are too many wars. It has been only 37 years since the end of the Cold War. Yet, within these 37 years, the world has witnessed the outbreak of at least 150 big wars and military conflicts. As a scholar, I must say, in today's world, there are too many wars.

It has been only 37 years since the end of the Cold War. Yet within these 37 years, the world has witnessed the outbreak of at least 150 military conflicts, including the Gulf War, the Eurasian War, the wars in Afghanistan, Iraq, Libya, Syria, Ukraine, as well as now in the Middle East. And the vast majority of these military conflicts have involved the U.S., whether initiated by the U.S., involving U.S. participation, or backed by U.S. support. The example set by the world's biggest superpower is, quite frankly, terrible. So now you ask how Beijing is thinking. I think, consequently, the Chinese strategic community...

Now, it's focused on the issue that this particular war further disrupted the international order and destabilized the global economy. First of all, our focus lies on deeper and more long-term questions. For example, what will the international order look like following the end of the war? Can a U.S.-Germany peace mechanism be established within a multipolar world? Can a long-term regional dialogue framework be fostered? Can crises and disputes be truly and fundamentally resolved? And what specific feasibility and contribution must China have in this regard? So we think about so many long-term perspectives after the war. So I think this war, well, yes, maybe it produced a lot of huge influence.

#Glenn

Yeah, that's interesting. Yeah. Well, let's call it a contradiction, because often in the West, the last 30-plus years have been referred to as an era of stability, you know, a time of peace when there was order and rule of law. Yet, if you look over the past 30-plus years, we've seen, you know, the Yugoslav wars, the 20-year occupation of Afghanistan, the illegal invasion of Iraq, etc.—Libya, Syria, Yemen—and yeah, I would even put Ukraine and Iran also in the category of Western wars. But

also, you can put the genocide in Gaza. I mean, it's quite a long, long list for an era which we consider to be a period of peace. But even when this comes to an end, we now see that, yeah, all the rules seem to be thrown away—that is, from the American side. Now they're shutting down access to international waterways with Cuba, Venezuela, Iran. We're talking about the destruction of entire civilizations, and it's quite a brutal language. If this war in Iran is part of the shift from the unipolar to the multipolar world, do you see this war then being an important turning point in the global order?

#Wang Wen

Well, first, I cannot speak on behalf of a Chinese policymaker, but I can share with you some popular views from Chinese strategy academies. Now more and more Chinese scholars believe that the U.S. hegemony has reached its end, that the so-called post-Cold War order is drawing to a close, and that the world is entering a new era of, as you mentioned, multipolarity. And the multipolar era is characterized by at least two points. One feature is that the U.S. has totally lost the strategic capacity to dominate the world. Maybe in the future, the U.S. will decline to a regional power—an ordinary regional power possessing strategic leadership only in some specific regions and specific fields rather than on a global or comprehensive level.

You know, now the U.S. is like a decrepit old boss. Look at their alliances. Japan is humbling it, the European countries, to be honest, are distressing it, and Canada is pushing back against it. And Israel now is kidnapping it. In a sense, the U.S. is quite a very pitiful figure, and it has been manipulated by all its former allies. What is even more pitiful is that President Trump still believes in himself—he is constantly winning. So it's very pitiful. I sometimes feel quite a bit of sympathy toward the American people. They ought to be spending the money currently used to wage wars on improving their domestic livelihood and infrastructure instead.

The second feature is the successful rise of emerging economies such as China, Russia, India, and Brazil, as well as other regional powers—Vietnam, Indonesia, Nigeria, South Africa, Ethiopia, Tanzania—a lot, a lot of emerging economies. And the U.S. no longer possesses the strength to contain the continual rise of any of these emerging economies. Iran, the same applies. Over the coming decade, or perhaps even longer, provided that Iran adopts a wiser domestic and foreign policy, I believe it will ultimately break free from the shackles of nearly half a century of U.S. suppression and achieve a new rise. So in short, we are currently in a transition phase, one in which an old hegemonic order is giving way to a new multipolar landscape.

#Glenn

But I guess overall, many people get the impression of China as always being a bit cautious in international affairs. This has especially been the case, I guess, since 1978. You know, the peaceful rise—don't create too many waves in the international system in terms of negative reactions from other great powers. And it seems to have been, well, some would argue that it might have changed

a bit over the past few years—the willingness to stand up a bit tougher against the United States. But that being said, in the Iran war, it looked like China kind of kept this traditional stance that is very, well, somewhat cautious and low-profile.

And how are you assessing this? Is this just restraint in order not to, I guess, globalize a regional conflict, or is it limited influence? And, yeah, given now that it's not just about Iran, it also appears to affect China in a big way. That is, when the Americans put a blockade on Iranian ports, they're very open that, you know, this is also intended to deny China oil from an important resource. Meanwhile, they're also now talking about sanctioning Chinese banks that trade with Iran. So, how are you seeing this? Do you expect this to continue? I guess the restrained response from China?

#Wang Wen

I think it's, as you mentioned, a so-called rebellious culture and a low profile, not only in the Iran issue today, but also maybe in the past, as you mentioned, even in the Russia and Ukraine conflict. I think that this serves precisely to demonstrate the underlying political philosophy of China's foreign policy—advocating for a ceasefire and an end to hostilities while emphasizing the resolution of disputes through political negotiation. And simultaneously, China always says it will not cease its normal trade relationships with both sides, the warring parties. For example, during the Russia and Ukraine conflict, China maintained normal trade ties with both Russia and Ukraine. Similarly, in the current war, China continues to conduct normal trade with the U.S., Israel, and Iran.

So, nowadays, the U.S. threatens to sanction Chinese banks engaged in trade with Iran. I think this is very unreasonable. Of course, some threats from the U.S. are often like a paper tiger. So, the U.S. threatens China like that. China responds to U.S. sanctions often like this: “Come on, go ahead, try to sanction me. If you intend to impose sanctions, we will certainly take countermeasures against you.” So this is a very clear signal from China. In the coming months, I think the U.S. will not dare to take such action. Of course, they are keen to ensure the success of President Trump’s upcoming meeting with China. Provoking China at this juncture would result in yet another political setback for Trump. And viewed from this perspective, China has long seen through the true nature of the U.S. as a paper tiger.

#Glenn

But I guess a key concern for China would be that over the past few, well, for many years now, it has been financing this expensive Belt and Road Initiative, which has, well, a large part of it is connecting this Eurasian landmass through different routes—roads, railways, ports, digital connections—and the Middle East has been an important area where it has invested. I also can't help but notice that when the U.S. and Israel are bombing Iran, they're going after a lot of the transportation infrastructure. Again, overall, this is, yes, also an attack on Chinese investments. Do you think this—well, how does this affect China? Will it reduce focus on the Middle East, or will China change its trade routes? Or what can we expect to see from Beijing?

#Wang Wen

Hmm. Actually, China's investment in Iran now is about 5 billion. Since the outbreak of the war, of course, projects have ground to a halt across a wide area. Personnel have been urgently evacuated. Investment prospects have become uncertain, and the progress of subsequent investments has been severely impeded. Over the past month or so, China's capital markets have experienced a fluctuation of about 10%, resulting in losses for a lot of investors.

#Glenn

First of all,

#Wang Wen

As about 35% of China's oil imports pass through the Strait of Hormuz, the nation's energy security has also been impacted. So while these shocks are certainly not severe enough to fundamentally destabilize the overall Chinese economy, I have to say these shocks have sent a very strong, much stronger strategic signal to Beijing. That is, it encourages advancing the Belt and Road Initiative in a sustainable and high-quality manner, because as we all know, the BRI seeks to foster connectivity. More importantly, the core objective of the BRI is to construct a great number of overland oil pipelines across the Eurasian continent, thereby reducing the excessive reliance of energy-importing nations on maritime shipping routes.

Viewed from this perspective, the importance of overland corridors such as the expanded Northern Route of the China-Europe Railway Express, the Trans-Caspian Transport Corridor, and the Central Asia Land Corridor has risen significantly. And the other thing is that there is a growing emphasis on increasing the allocation of energy sources from non-Middle Eastern regions, including Russia, Central Asia, Africa, and South America, in order to mitigate dependence on any single maritime shipping lane. So, in short, the strategic change boils down to two key terms: the diversification of transport corridors and the diversification of energy sources.

#Glenn

Yeah, seems like a good response. But many people also, when they look to assess how China will react or be impacted by this war, they also look towards Taiwan. What kind of lessons do you think Chinese strategists draw if they look towards a potential conflict, or at least a Taiwan scenario? I mean, for many in the West, they argue that this is a great opportunity, or a window of opportunity, for China to do something in Taiwan, given that the Americans are tied up in Ukraine and they're tied up in the Middle East. Others are pointing out that it's also maybe a necessity for China to, you know, solve this issue now, given that the U.S. is becoming increasingly reckless. But beyond this, though, do you see the war making, you know, a conflict over Taiwan more or less likely?

#Wang Wen

Yeah. Well, I understand the subtext of your question is like that. Given the current conflict with Iran, which could potentially diminish U.S. military capability or tie down its strategic assets for a long time period, will China accelerate its timeline for unifying Taiwan by force? I was asked a very similar question a few years ago when the Russia-Ukraine conflict broke out. But my point is that if the Chinese mainland intended to resolve the Taiwan issue through military means, the United States would have long since lost the ability to stop it. The U.S. simply lacks the capacity to defend Taiwan. Whether or not China may ultimately choose to use force to unify Taiwan is not a decision contingent upon whether the United States has the ability to prevent that unification.

What I want to say is that there would be no military unification without a move towards Taiwan independence. Any use of force would be directed at independence separatists, not at the general public in Taiwan. In other words, even 30 years ago, when U.S. military power was arguably at its peak, had Taiwan declared independence, the Chinese mainland would still have proceeded to unify Taiwan by force. So my logic, my reasoning, is that the Chinese mainland has consistently and patiently sought a peaceful resolution to this issue. In fact, anyone who truly understands the Taiwan issue will recognize that at this moment, the likelihood of a peaceful resolution is growing even stronger, and the prospect of such a resolution is growing even closer and closer.

#Glenn

Well, if this war in Iran is intensifying a shift towards a multipolar world, how does it affect China's relations with other great powers? So, with the United States—because on one hand, the U.S. seems to be getting more unhinged, if not aggressive—but also, China might rely more on the United States. At least that seems to be part of the design of the U.S. Or with Russia, I was thinking, if the energy supplies from the Middle East are now becoming less and less reliable, does this cement or deepen China's dependence on Russia or not? I guess overall, how do you see China's relations with the U.S. and Russia being affected now? What direction will it take after this war?

#Wang Wen

Yes, I think that this conflict has significantly shaped the balance of the triangle among the U.S., China, and Russia. Previously, the U.S. acted as a relatively proactive party in this dynamic, while China and Russia occupied a relatively passive position in the past. But now the U.S. finds itself heavily constrained by Iran. It has become increasingly erratic, even going so far as to make overtures towards China and Russia, while Russia and China, the two nations, have gained a greater strategic initiative.

Russia now, of course, has emerged as a beneficiary of the massive surge in oil prices, and even more so from the situation on the Ukraine battlefield. And China has experienced some repercussions regarding oil imports and its stock market. Yet, on the whole, the strategic pressure it

faces from the U.S., its primary competitor, has diminished. So I think, as I mentioned by now, conversely, as President Trump sought to successfully visit China in mid-May, he found it necessary to make conciliatory gestures toward Beijing. Moreover, to avoid losing the Middle East election in November, Trump simply cannot afford to jeopardize U.S.-China relations.

So viewed from this perspective, both China and Russia have seen their strategic maneuvering space impacted in their respective contests with the U.S. And they now hold stronger cards in these political games. The U.S. nowadays has permanently said goodbye to the era in which it could effectively contain both China and Russia. So I think for those experts who truly grasp the nature of the strategy, it appears that the United States may have won every battle yet, but the U.S. lost the entire war. President Trump may be the master of every tactical maneuver, but when it comes to overall strategy, he proves to be a fool.

#Glenn

Yeah, fool seems to summarize it well. But also, yeah, you mentioned that Russia has benefited. Of course, it comes with both risks and opportunities because the war, I think, is seen, you know, the war in Iran is seen with great concern. It destabilizes countries, the entire region, it threatens to burn down the whole Middle East. Iran is a key strategic partner. It's a key, you know, transportation node in the Eurasian system. So, yeah, a partner in SCO, BRICS. So it's not a good war in this sense. But if you look at the economics, the oil price, of course, this adds a good chunk of money into the Russian economy and also makes it very difficult to keep unity in the West on the sanctions against Russia. But again, it comes with both pluses and minuses. But if this war continues, what do you think would be the main risks or opportunities for China? Or is it mainly risks, I guess?

#Wang Wen

Yeah, as I said, if the war continues or escalates, the risks to China are very evident. China's energy lines would remain vulnerable to disruption. The cost of imported oil would rise, potentially triggering inflation. And China's foreign trade order in the Middle East would contract. First of all, you mentioned the project would face risks ranging from setbacks to default, among other complications. There are a lot of risks. So that's why I think I often tell my foreign friends that China is a major economy least inclined to see a war break out anywhere in the world. So that's why over the past 40 years, China has never launched a war or joined a war or been involved in a war, because we know only through peace can China achieve better development.

So that's why I want to borrow your important platform to recommend my new book this month. Now, this book ranks high on China's bestseller list. The book's name is **New Strategic Opportunity: China and the World Towards 2035**. This new book is in the top three on China's bestseller list. I'm talking about **New Strategic Opportunity**. The central meaning of my new book is that no matter how adverse the international environment may become, China has the capacity to birth, seize, and

create new strategic opportunities. The more wars that occur, and the more turbulent the world becomes, the more the world will come to recognize just how important China's peace, stability, and prosperity truly are.

So China's new strategic opportunity is that wherever in the world things happen, China focuses on ourselves, on domestic solutions. Then we can find and seize more and more new strategic opportunities. So you, Professor Diesen, you visit China many times. You can see nowadays in China, China has 1.4 billion people enjoying secure urban governance, free from gun violence, universal access to a 5G network, streets filled with new energy vehicles, a society that has completely eradicated absolute poverty, no cash payments—cashless payment is consistent for everyone—reliable, grief-free, blackout-free high-speed railway network, and also low consumer prices, and also a food delivery service capable of bringing any food you want.

#Wang Wen

Nowadays, even on foreign social media, these festivities of China's national government are increasingly becoming the envy of more and more people in developing countries, and maybe even in developed countries. So, as I often say in my new book, the more the United States seeks to instigate war, the more China strives to uphold peace. For the United States, every war serves as another step down the ladder of decline. Conversely, for China, the longer it succeeds in maintaining peace, the more sustained its rise will be. So this is China's greatest opportunity.

#Glenn

Well, I like to hear peace framed as opportunity. It's not so common anymore, but it does make a lot of sense. And I wish more countries did so. It's funny, I spoke a few days ago with Chas Freeman. He was the former U.S. Assistant Secretary of Defense, and he was making the point—because he was a translator, also a diplomat with Kissinger when he went to China in the late '70s—he was making the point that today China represents the international system the way the United States pretended it was in the past. So it does appear that China is taking over that mantle, which is, well, good news if China handles it in a very responsible way, which it appears to do. Anyway, thank you very much for taking the time, and I look forward to seeing you in Beijing soon. So thank you.

#Wang Wen

Yes. Thank you. Thank you. Thank you.