



Chinese Policy in the Middle East in the Wake of the Arab Uprisings

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Introduction

China's role in the Middle East tends to be viewed one-dimensionally by both Western and Chinese analysts – through the lens of China's increasing need for energy imports, or its rise as a strategic rival to the United States, for example. Yet the reality of Chinese interests and policy in the Middle East is far more complex.

Interactions between China and the states of the Middle East date back two thousand years. China and the peoples of the Middle East share a common, albeit painful, narrative as civilizations whose ancient histories are glorious yet whose modern history has been marked by the fitful and often bitter experience of decolonization that has made each wary of the West, even as they benefit from integration with it. For these commonalities, however, China and Middle Eastern states do not approach their relations today as peers; Beijing is finding its way as an emerging great power newly capable of exercising influence around the world, whereas the states of the Middle East are mired in the chaos that has followed the Arab uprisings of 2011 onward.

Those uprisings and Beijing's response to them illustrate the complicated, changing nature of Chinese policy in the Middle East. The events of the past several years have presented both challenges and opportunities to China, giving rise to the sort of policy dilemmas that Beijing has long sought to evade. These dilemmas have proven as difficult for China to navigate as they have for the United States, and have tested Beijing's longstanding strategy for advancing its interests in the region.

Dr. Pan Guang, a prominent Chinese scholar of the Middle East, described China's modern relations as being divided into four eras, the last of which began in 1977 with the premiership of Deng Xiaoping.¹ Today, China is embarking on a fifth period in its relations with the region. What policies characterize this new era – and whether they are successful – will depend not only on how Beijing chooses to address its policy dilemmas, but on exogenous factors such as the involvement of other rising Asian powers in the region and China's own fortunes domestically and in East Asia. But perhaps more than anything else, they will depend on the future trajectory of U.S. policy in the Middle East, and U.S.-China relations broadly.

Chinese and American Interests in the Middle East

¹ Pan Guang, "China's Success in the Middle East," *Middle East Quarterly* 4.4, (1997): p. 35-40.

Superficially, Chinese and American interests in the Middle East overlap significantly. However, the way in which the United States and China pursue these interests tends to differ widely, such that this overlap may be more likely to lead to increased tension than to cooperation.

Energy. The United States and China are the world's two largest energy consumers, as well as the two largest importers of crude oil.² This gives each a natural interest in the Middle East, which is home to many of the world's top oil exporters and accounts for more than half of inter-regional net oil exports globally, something which is forecast to remain relatively steady through 2035.³

Yet in other respects the two countries are moving in opposite directions. American oil consumption is forecast to rise slowly in the coming decades even as U.S. domestic production increases rapidly, decreasing its dependence on foreign supplies of oil.⁴ While this has led to hopeful talk of "energy independence," in fact the United States and its allies will remain vulnerable to increases in energy prices, which are determined on the global market. In addition, many of those allies – such as South Korea and Taiwan – are themselves highly dependent on oil imports and will remain so for the foreseeable future.⁵ Thus the United States will retain a strong interest in secure energy trade globally and incentives to resolve or mitigate the effects of crises that threaten either to raise energy prices or diminish supply.

Chinese demand, in contrast, is forecast to rise rapidly along with its economic growth and urbanization⁶; more broadly, the vast bulk of oil demand growth globally is forecast to come from non-OECD countries.⁷ Chinese production will be woefully insufficient to meet the increase in its demand⁸, sharply increasing China's dependence on foreign supplies – and thus on Middle Eastern energy sources.

Despite a certain convergence between American and Chinese energy interests in the Middle East, significant obstacles confront bilateral cooperation in this area. Foremost among these is China's emphasis on upstream involvement in energy projects as opposed to reliance on the market to meet its supply requirements; given Beijing's demonstrated willingness to use control of resources for leverage in diplomatic disputes (for example by cutting off rare earth exports to Japan⁹ or banana imports from the Philippines¹⁰), increasing Chinese involvement upstream in Middle East energy projects would be a point of concern for U.S. allies which depend on Middle East supplies themselves, and thus for the United States as well. Conversely, Chinese strategists may also view the situation with some concern, as American vulnerability to an interruption of Middle Eastern

² Energy Information Administration, "Countries Index," Department of Energy, <http://www.eia.gov/countries/index.cfm?view=consumption>.

³ "BP Energy Outlook 2035." BP, Jan. 2014. Web. <http://www.bp.com/content/dam/bp/pdf/Energy-economics/Energy-Outlook/BP_World_Energy_Outlook_booklet_2035.pdf>.

⁴ Ibid.

⁵ Energy Information Administration, "Countries Index," Department of Energy, <http://www.eia.gov/countries/index.cfm?view=consumption>.

⁶ "BP Energy Outlook 2035." BP, Jan. 2014. Web. <http://www.bp.com/content/dam/bp/pdf/Energy-economics/Energy-Outlook/BP_World_Energy_Outlook_booklet_2035.pdf>.

⁷ Ibid.

⁸ Ibid.

⁹ Keith Bradsher, "Amid Tension, China Blocks Vital Exports to Japan," *New York Times*, September 22, 2010, Global Business Section, http://www.nytimes.com/2010/09/23/business/global/23rare.html?pagewanted=all&_r=0.

¹⁰ "The China-Philippine Banana War," *Asia Sentinel*, June 6, 2012, Society Section, <http://www.asiasentinel.com/society/the-china-philippine-banana-war/>.

energy supplies is diminishing as China's increases, but Washington's military and diplomatic influence in the Gulf far outstrips Beijing's.

Flow of Commerce. The Middle East region is not a major trading partner for either the United States or China, although it has served as a source of foreign investment in China, and China's own investments in the region play a strategic role in ensuring its energy security as noted above.¹¹ However, both the Chinese and American economies are highly dependent on global seaborne trade flows, a large portion of which flow through the sea lanes of the Middle East. Eight percent of seaborne trade and four percent of globally traded oil passes through the Suez Canal¹², and twenty percent of globally traded oil passes through the Strait of Hormuz¹³; much of the trade passing through both chokepoints is bound to or from China via the Arabian Sea and Indian Ocean.

Both the United States and China have taken direct action to safeguard these sea lanes. The United States maintains a robust naval presence throughout the region's seas, and bases its Fifth Fleet in Manama. China, beginning in 2008, has dispatched naval vessels to counter-piracy missions in the Arabian Sea. Both countries have issued strong warnings to Iran against any attempt to close the Strait of Hormuz; former U.S. Secretary of Defense Leon Panetta publicly warned in 2012 that such an attempt would constitute a "red line" for the United States¹⁴, while China publicly rebuked Iran in late 2011 for its threat to close the Strait.¹⁵

As in the case of energy, the prospect for cooperation in this area is complicated by Chinese behavior elsewhere. Policymakers in Washington – and likely in the Middle East itself – would view increasing Chinese naval activity in the region with concern, given the PLAN's expansive view of its maritime prerogatives as demonstrated in the disputes in the South China Sea. While Beijing might argue that the two cases are different given its territorial claims in the South China Sea, it is this selective approach to respecting international maritime law and arbitration that is likely to engender mistrust elsewhere.

Nonproliferation of WMD. Both China and the United States have asserted that they have an interest in nonproliferation in the Middle East. Indeed, the two countries have cooperated to an extent in the recent effort to dismantle Syria's chemical weapons¹⁶ and jointly supported a number of UN Security Council

¹¹ U.S. Library of Congress, Congressional Research Service, *U.S. Trade and Investment in the Middle East and North Africa: Overview and Issues for Congress*, by Shayerah Ilias Akhtar, Mary Jane Bolle and Rebecca M. Nelson, CRS Report R42153 (Washington, DC: Office of Congressional Information and Publishing, March 4, 2013), <http://fas.org/sgp/crs/misc/R42153.pdf>.

¹² Marianne Stigset and Gelu Sulugiuc, "Suez Canal, Carrying 8% of Trade, Open Amid Unrest," *Bloomberg*, January 31, 2011, News Section, <http://www.bloomberg.com/news/2011-01-31/egypt-s-suez-canal-carrying-8-of-world-trade-remains-open-amid-violence.html>.

¹³ Energy Information Administration, "Today in Energy," Department of Energy, September 5, 2012, <http://www.eia.gov/todayinenergy/detail.cfm?id=7830>.

¹⁴ Elizabeth Bumiller, Eric Schmitt and Thom Shanker, "U.S. Sends Top Iranian Leader a Warning on Strait Threat," *New York Times*, January 12, 2012, Middle East Section, <http://www.nytimes.com/2012/01/13/world/middleeast/us-warns-top-iran-leader-not-to-shut-strait-of-hormuz.html?pagewanted=all>.

¹⁵ Ben Blanchard, "China Urges Stability in Strait of Hormuz," *Reuters*, December 29, 2011, U.S. edition, <http://www.reuters.com/article/2011/12/29/us-china-iran-idUSTRE7BS08E20111229>.

¹⁶ United Nations Meetings Coverage and Press Releases, "Security Council Requires Scheduled Destruction of Syria's Chemical Weapons, Unanimously Adopting Resolution 2118 (2013)," United Nations, <http://www.un.org/press/en/2013/sc11135.doc.htm>.

resolutions aimed at peacefully resolving the Iran nuclear crisis.¹⁷ Nevertheless, China has also played a role in promoting proliferation in the region, for example by providing Iran in the 1990s with vital components of its nuclear program¹⁸, cooperation which reportedly has continued despite Beijing's membership in the P5+1 and ostensible support for international sanctions.¹⁹

Counter-terrorism. Both the United States and China have expressed grave concern regarding the spread of terrorism and extremist ideology from the Middle East. After the 9/11 attacks on the United States, China supported American-led military action in Afghanistan²⁰, at least partly out of concern about the presence there of Al-Qaeda and the spread of Islamism to Central Asia.²¹ More recently, both the United States and China have expressed serious concerns about the movement of foreign fighters to and from Syria and Iraq and the prospect that they would become involved in terrorist attacks on American and Chinese soil.^{22,23} Nevertheless, U.S.-China cooperation on counter-terrorism has been limited by American concerns regarding Chinese authorities' tendency to conflate political dissent with violent extremism; Chinese support for US counter-terrorism efforts has in turn likely been hampered due to Beijing's suspicion that such efforts serve to project the power of the United States and its allies in ways that China typically opposes.²⁴

Thus, despite the apparent overlap in American and Chinese interests in the Middle East, major obstacles exist to Sino-American cooperation in the region. This is in part due to the quite different manner in how Washington and Beijing pursue each of these interests individually, as indicated above. Furthermore, each country has other powerful interests not shared by the other – for example, the United States in safeguarding Israel, and China in securing an overseas market for its labor force. Difficulties in cooperation also arise from the starkly different regional strategies the United States and China have developed, which reflect the widely disparate capabilities and global roles of each, as well as the fact that the Middle East has long been a much higher priority in the United States' foreign policy than it has in China's.

While the United States and China have both sought to promote regional stability in order to advance their interests in the region, the United States has done so through a robust military presence, generous military and economic aid to allies, the promotion of political and economic development, and diplomatic and occasionally military intervention. China, on the other hand, has sought to cultivate cordial relations with all governments in the region (even those with ideologies Beijing finds concerning, such as Hamas when it won Palestinian

¹⁷ These have included UN Security Council resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), and 1929 (2010).

¹⁸ "A History of Iran's Nuclear Program," Iran Watch, March 1, 2012, <http://www.iranwatch.org/our-publications/weapon-program-background-report/history-irans-nuclear-program>.

¹⁹ John Pomfret, "U.S. Says Chinese Businesses and Banks are Bypassing U.N. Sanctions against Iran," *Washington Post*, October 18, 2010, World Section, <http://www.washingtonpost.com/wp-dyn/content/article/2010/10/17/AR2010101703364.html>.

²⁰ Jacques deLisle, "9/11 and U.S.-China Relations," *Foreign Policy Research Institute*, September 2011, <http://www.fpri.org/articles/2011/09/911-and-us-china-relations>.

²¹ Zhao Huasheng, "China and Afghanistan: China's Interests, Stances and Perspectives," Center for Strategic and International Studies, March 2012, http://csis.org/files/publication/120322_Zhao_ChinaAfghan_web.pdf.

²² Timothy Gardner, "U.S. Concerned Foreign Fighters in Syria are Working with Yemenis," *Reuters*, July 13, 2014, U.S. edition, <http://www.reuters.com/article/2014/07/13/us-usa-syria-holder-idUSKBN0F10VZ20140713>.

²³ Ben Blanchard, "China Says May Have Citizens Fighting in Iraq," *Reuters*, July 28, 2014, U.S. edition, <http://www.reuters.com/article/2014/07/28/us-iraq-security-china-idUSKBN0FX0FV20140728>.

²⁴ U.S. Library of Congress, Congressional Research Service, *U.S.-China Counterterrorism Cooperation: Issues for U.S. Policy*, by Shirley A. Kan, CRS Report RL33001 (Washington, DC: Office of Congressional Information and Publishing, July 15, 2010), <http://fas.org/sgp/crs/terror/RL33001.pdf>.

elections in 2006 and the Muslim Brotherhood when it gained power in Egypt in 2012), and has focused on promoting trade and investment ties while largely eschewing the provision of aid or any significant diplomatic or direct military involvement in the region. While China has vociferously opposed external intervention in the region, it has not developed a policy to prevent it, and has thus far implicitly accepted and benefited from America's role in promoting regional stability.

More fundamentally, however, any possible cooperation to advance shared interests is constrained by the broader rivalry between the United States and China, which for Beijing often appear to trump considerations of its regional interests in the Middle East. For example, the United States has an interest in maintaining its freedom of navigation and action in the Middle East and elsewhere, whereas China's advocacy of "non-interference" today reflects in large part a desire to constrain the United States. Certain Chinese policies in the region appear directly aimed at limiting U.S. power, such as its cultivation of a strategic alliance with Iran²⁵, which has included the transfer of Chinese weapons that have found their way into the hands of Iraqi, Lebanese, and Afghan militants fighting against the United States and its regional allies²⁶ as well as Chinese assistance in Iran's development of anti-access and area denial capabilities.²⁷ This reflects the same sort of zero-sum mentality that Beijing appears to apply to the American role in East Asia, and challenges prospects for U.S.-China cooperation in the region.

Post-2011 Changes in the Middle East

In the past several years, changes in the Middle East, as well as in the United States and China themselves, have altered the strategic landscape in the region, with implications for both Beijing and Washington.

The most significant change in the region has been the collapse of the post-Cold War security architecture built and upheld for two decades by the United States. Even before the 2011 Arab uprisings, American attitudes toward the region and toward foreign policy more broadly had shifted significantly.²⁸ As a result the Iraq and Afghanistan wars – which were long and costly yet yielded scant gains – the American public was wary of overseas intervention, especially in the Middle East.

President Obama was propelled to office in part by such sentiments, and accordingly he set about winding down American involvement in both wars and sought – rhetorically, if not practically – to “rebalance” U.S. foreign policy away from the region and toward East Asia, to the alarm of Beijing and dismay of American allies in the Middle East. Beyond this, President Obama also seemed to bring to the White House skepticism of traditional U.S. allies such as Israel and the Gulf Arab states, and a desire to instead reach out directly to Middle Eastern publics and to take a more neutral or accommodating approach to resolving the Israeli-Palestinian and Iran nuclear crises. The financial crisis of 2008 led to sharp cuts to the American defense budget and increasing oil and gas production reinforced American disengagement from the Middle East.

²⁵ Michael Singh and Jacqueline Newmyer Deal, “China’s Iranian Gambit,” *Foreign Policy*, October 31, 2011, http://www.foreignpolicy.com/articles/2011/10/31/china_iran_nuclear_relationship.

²⁶ John J. Tkacik Jr., “The Arsenal of Iraq Insurgency,” *Weekly Standard* 12.45 (2007), <http://www.weeklystandard.com/Content/Public/Articles/000/000/013/956wspet.asp>.

²⁷ James Brandon Gentry, “China’s Role in Iran’s Anti-Access / Area Denial Weapons Capability Development,” *Middle East Institute*, April 16, 2013, <http://www.mei.edu/content/china%E2%80%99s-role-iran%E2%80%99s-anti-access-area-denial-weapons-capability-development>.

²⁸ Polling data on these trends abound. See, for example <http://www.pewresearch.org/fact-tank/2014/05/28/obama-charts-a-new-foreign-policy-course-for-a-public-that-wants-the-focus-to-be-at-home/>.

It was in this environment that the Arab uprisings took place, serving to accelerate the US disengagement from the region. If that disengagement represented the weakening of the “hub” in the American hub and spoke security architecture in the Middle East, the Arab uprisings caused the abrupt separation of several “spokes,” including relatively pro-Western regimes in Tunisia, Egypt, and Yemen. The United States was confronted with a conflict between supporting traditional allies and supporting seemingly democratic revolutions; rather than facing this conflict decisively, the resulting American policies were hesitant and inconsistent, leading to increased frictions with remaining allies in the region, especially Saudi Arabia and Egypt.

The steady disengagement of the United States and the growing distance between Washington and its allies left a leadership vacuum in the region. This vacuum, however, has gone unfilled. Neither regional nor international institutions or coalitions have proven capable of responding effectively to Middle Eastern crises, and no other external powers, including China, have been capable or willing to do so either, despite efforts by states such as Egypt, Turkey, and Iran to substitute these powers in whole or part for the United States. A stark example of this unwillingness or incapacity is demonstrated by the extent of Chinese aid to the region; it provided \$16 million in aid to Syrian refugees²⁹, in contrast to the hundreds of millions of dollars donated by the United States, and a mere \$10 million to the Palestinian Authority³⁰, vastly less either than the United States or even regional powers with much smaller economies than China’s.

In the absence of any external stabilizer and amid the chaos that has shaken up the region’s longstanding relationships, regional powers have instead vied among themselves for preeminence, forming a number of ad hoc blocs and utilizing sectarian proxies and other tools to advance their interests. This has only deepened the region’s instability, giving rise to serious implications for both American and Chinese interests.

Challenges and Opportunities for China

For China, this new (and still changing) regional dynamic, together with Beijing’s own shifting interests and evolving foreign policy strategy, has resulted in both challenges and opportunities.

Challenges

Fall of Authoritarian Allies. Until 1956, China lacked diplomatic relations with any Middle Eastern states, viewing them as anti-revolutionary. Eventually China established diplomatic ties with every regional state, and still seeks to maintain friendly – and lucrative – relations not only with all of the region’s governments, but many substate actors such as Hamas and Hezbollah, despite the vast ideological chasms that separate it from these groups. To this end, China has sought to avoid taking clear sides in regional disputes and instead promulgated innocuous-sounding proposals to guide its regional relations, such as the economically-focused “1+2+3 Framework” articulated by Chinese President Xi Jinping at the 2014 China-Arab Cooperation Forum ministerial, or the “four principles” announced by former President Hu Jintao during his 2004 visit to the region.³¹ Nevertheless, after China had spent decades cultivating its allies in the Middle East, many of them

²⁹ “China offers \$16 million in aid for Syria refugees,” Associated Press, June 5, 2014, <http://bigstory.ap.org/article/china-offers-16-million-aid-syria-refugees>.

³⁰ Ibid.

³¹ These were “to promote political relations on the basis of mutual respect, to forge closer trade and economic links so as to achieve common development, to expand cultural exchanges through drawing upon each other’s experience, and to strengthen cooperation in international affairs with the aim of safeguarding world peace and promoting common development.” See, Pan Zhenqiang, “China and the Middle East,” in *China’s Growing Role in*

were swept away in the Arab uprisings. This presented Beijing, just like Washington, with the challenge of rebuilding ties, often hamstrung by its past support for the former regimes.

Rise of Political Islam and Foreign Fighters. As China's authoritarian allies fell, in many instances they were replaced by – or their departure created space for – Islamist parties or militias. This was true in Tunisia, Libya, and Egypt (and of course had long been the case in Iran); in addition, other substate or transnational Islamist groups either vied for power, as in the case of various Syrian Islamist militias, or seized territory, as in the case of the Islamic State in Iraq and al-Sham (ISIS). Beijing views Islamist ideology as a threat, and worries about its spread from the Middle East to China via Central Asia; it also worries about the prospect of Chinese foreign fighters traveling to fight with groups such as ISIS and then returning to China to commit acts of terrorism as noted above. Nevertheless, Beijing's discomfort with these ideologies did not prevent it from continuing its longstanding approach of seeking to cultivate cordial relations with governments of all stripes, such as Mohammad Morsi's Muslim Brotherhood government in Cairo.

Economic Risks. The conflicts in the Middle East not only put China's political relationships at risk, but also threatened its economic interests. In addition to purchasing vast amounts of oil from the region, China has expanded its non-oil trade with the region, and sees the Gulf Arab states as a potential source of direct investment in China.³² In addition, there are a large number of Chinese workers across the Middle East, not only in the Gulf, but also in places like Egypt and Libya (at least before the 2011 revolutions)³³. Indeed, China was forced to engage the PLAN in a rare expeditionary operation at short notice to evacuate Chinese citizens from Libya, leaving behind assets and abandoning once-lucrative contracts.³⁴ Instability in the Middle East also risks sharp increases in energy prices, to which China is vulnerable.

Changing Role of the United States. China has long been conflicted about the American role in the Middle East. On one hand, China has benefited from U.S. efforts to provide regional stability and safeguard shipping lanes; on the other, it has disapproved of American intervention and sought to constrain U.S. influence more broadly, and its willingness to work with any and all governments has clashed with the American approach. Illustrating this conflict, China strongly opposed U.S. intervention in Iraq in 2003, but then supported the continued presence of American troops in Iraq as a stabilizing force.³⁵ The Arab uprisings posed similar dilemmas – on one hand the United States and its allies intervened in Libya, but on the other the uprisings

the Middle East: Implications for the Region and Beyond, (DC: Nixon Center, 2010), p. 73-95, <http://www.cftni.org/full-monograph-chinas-growing-role-in-me.pdf>.

³² Gabriel Wildau, "New Silk Road Raises Hopes for Increased China-Arab Trade," *Financial Times*, June 29, 2014, <http://www.ft.com/cms/s/0/11190312-f874-11e3-815f-00144feabdc0.html#axzz39SYbhSs>.

³³ Abdulaziz Sager, "GCC-China Relations: Looking Beyond Oil – Risks and Rewards," in *China's Growing Role in the Middle East: Implications for the Region and Beyond*, (DC: Nixon Center, 2010), p. 1-21, <http://www.cftni.org/full-monograph-chinas-growing-role-in-me.pdf>.

³⁴ *China in the Middle East: Statement before the U.S.-China Economic and Security Review Commission*, 113th Congress (2013) (Statement by Dr. Jon B. Alterman), https://csis.org/files/attachments/ts130606_alterman.pdf.

³⁵ Pan Zhenqiang, "China and the Middle East," in *China's Growing Role in the Middle East: Implications for the Region and Beyond*, (DC: Nixon Center, 2010), p. 73-95, <http://www.cftni.org/full-monograph-chinas-growing-role-in-me.pdf>.

dampened further Washington's enthusiasm for engagement in the region, and even led to calls by influential former officials to remove the Fifth Fleet headquarters from Bahrain.³⁶

Opportunities

Changing U.S. Role. Even as American disengagement from the Middle East poses challenges for Beijing, it also offers opportunity for a would-be superpower. The United States is, for the moment at least, less inclined to intervene militarily in the region after Iraq and Libya, as demonstrated by President Obama's hesitation to enforce his "red line" on Syria and disinclination to come to the aid of the Iraqi government against ISIS. This not only satisfies China's longstanding interest in deterring American intervention overseas, but reduces the risk to China of a U.S.-Iran military confrontation centering on the Gulf, and thus also reduces the pressure on China to accommodate American extraterritorial sanctions on Iranian oil and banking.

Increasing American disengagement also opens up a political and security vacuum in a region that has often attracted the involvement of great powers. But filling that vacuum will not come comfortably to China, which has had its own difficult experience with Western imperialism and does not yet appear reconciled to the idea – nor yet capable – of throwing its weight around outside of its immediate neighborhood.

China would nonetheless begin any such endeavor with certain advantages. It now has a long history of diplomatic relations with the states of the Middle East. For many of those states, the "China model" – described by one analyst in the region as "balancing economic development, state modernization, and political control...for countries that want to carefully manage their economic and political transformation"³⁷ – holds an undeniable appeal, especially in the wake of the Arab uprisings. China's stated interest in energy partnerships also sounds more attractive to the region's energy producers than Washington's talk of energy independence, a concept which is reassuring to American audiences but threatening to oil producers, some of whose economies are highly dependent on the energy trade with the United States. Indeed, in 2009 an advisor to the Saudi oil minister referred to Western talk of energy independence as a "wave of hostility."³⁸

Nevertheless, one should not assume such convergences would lead to easy substitution of China for the United States as an ally for regional states, even if one puts aside the question of Beijing's willingness to play such a role. Middle Eastern officials have longstanding relationships in Western capitals – especially Washington – that would not be as easily built with Chinese officials, whose system is more opaque to outsiders and whose diplomats have a relatively limited understanding of Middle Eastern politics. Partnership with China also cannot for now provide the same diplomatic, military, or technological benefits as can the United States. Finally, China's assertive behavior toward neighbors in East Asia is likely to give states of the Middle East pause when considering the costs and benefits of inviting deeper Chinese involvement in their own region.

Economic Opportunities. As it is widely recognized that stagnant economies were one of the root causes of the Arab uprisings, governments in the region have or likely will in the future embark on programs of economic

³⁶ Dennis C. Blair, "False Trade-Off on Bahrain," *Hill*, February 12, 2013, <http://thehill.com/blogs/congress-blog/foreign-policy/282337-false-trade-off-on-bahrain>.

³⁷ Emile Hokayem, "They've Come a Long Way in 60 Years: and So Have We," *National*, October 4, 2009.

³⁸ Tamsin Carlisle, "China is Right Market at Right Time for Gulf," *National*, August 18, 2009, Business section, <http://www.thenational.ae/business/china-is-right-market-at-right-time-for-gulf>.

reform and liberalization.³⁹ This, in turn, may open further opportunities for trade and investment for China, though perhaps not for Chinese labor given regional governments' imperative to create jobs for their own populations.⁴⁰ Further economic opportunities may be created due to regional governments' desire – whether out of pique at American policies or a more straightforward desire to balance their dependency on the United States – to diversify their defense relationships. Again, however, what China can offer to the region is primarily transactional in nature; just as China is seeking to make its own difficult transition to a more market-oriented economy, many Middle Eastern governments need to shrink their public sectors, reduce their spending, bolster their social safety nets, and encourage private-sector-led growth. China is not the ideal partner for such a transition, given its own similar challenges.

What Didn't Happen (Yet). While not precisely an opportunity arising from the Arab uprisings, Beijing will undoubtedly be heartened by what didn't happen in the region in recent years. As noted above, the United States, after intervening in Libya, did not intervene in Syria or Iraq, or undertake a military strike on Iran despite repeated threats to do so. Political Islam, seemingly ascendant from 2011-2012, was dealt setbacks in Tunisia, Libya, Egypt, and elsewhere, and until the alarming advance of ISIS across northwestern Iraq, seemed to be receding as a political force if not as a military and terrorist threat. Some of China's closest allies – the Gulf Arab states and Iran, in particular – proved resilient in the face of the region's chaos, despite some analysts' predictions to the contrary. And – perhaps most importantly from Beijing's perspective – the “Arab Spring” did not ultimately spill over into China itself despite Chinese officials' obvious worries that it might do so.⁴¹

China's Middle East Policy Dilemmas

The United States has long faced policy dilemmas in the Middle East arising from conflicts between its various interests, or between its interests and its values. As its interests in the Middle East increase and as the United States pulls back from the region, Beijing will face similar dilemmas that will test Chinese analysts' oft-repeated refrain that it faces no “fundamental conflict of interests” in the region.

One of the clearest examples of such a policy dilemma has been Libya. There, China was faced with an immediate crisis directly affecting its security – the safety of its 36,000 nationals in the country. But it was also faced with a difficult choice regarding whether to support Libyan rebels. It could one the one hand uphold the principle of “non-interference” by opposing the ouster of Muammar Qadhafi, thereby running the risk of angering not only a future Libyan government – as it had soured relations with the Morsi government through its strong support for ousted Egyptian president Hosni Mubarak – but also China's other allies in the region, who as members of the Arab League were advocating action against Qadhafi. On the other, it could support for the sort of Western-led intervention that China had so long opposed.

³⁹ See, for example, Carlo A. Sdravovich et al, “Subsidy Reform in the Middle East and North Africa,” (Washington, D.C.: International Monetary Fund, 2014).

⁴⁰ Michelle FlorCruz and Jacey Fortin, “The Takeover: Stable China Looks To Volatile Middle East For Investment Opportunities As West Backs Away,” *International Business Times*, May 11, 2013, Economy section, U.S. edition, <http://www.ibtimes.com/takeover-stable-china-looks-volatile-middle-east-investment-opportunities-west-backs-away-1249621>.

⁴¹ David Pierson, “Online Call for Protests in China Prompts Crackdown,” *Los Angeles Times*, February 26, 2011, <http://articles.latimes.com/2011/feb/26/world/la-fgw-china-crackdown-20110227>.

China sought to split the difference by supporting UN Security Council resolution 1970, which imposed sanctions on Libya, and abstaining from – i.e. not blocking – resolution 1973, which authorized international intervention. As Jon Alterman details, Beijing hedged its bets by simultaneously continuing to cultivate close ties with Qadhafi⁴²; it also later supported Moscow’s assertion that Russia and China had been “tricked” into withholding their vetoes and did not anticipate that the resolution would result in Qadhafi’s overthrow.⁴³ In effect, however, China not only supported an American intervention against an erstwhile ally, but conducted a small military expedition of its own to evacuate its nationals.

Increasingly, the Israeli–Palestinian conflict also poses a conflict for Beijing, between the Chinese policy of the past and modern-day Chinese policy. The late PLO chairman Yasser Arafat was characterized by one Chinese analyst as China’s “only true friend” in the Middle East for many years⁴⁴. China, in turn, was a strong supporter of the Palestinians, recognizing a Palestinian state when one was unilaterally declared by the PLO in 1988. Israel, on the other hand, was not recognized by China until 1992, despite an abortive flirtation between the two countries in the 1950s. China has continued to pay a certain amount of lip service to the Palestinian cause – for example, by recognizing the Hamas government resulting from the 2006 Palestinian Legislative Council elections and welcoming subsequent Hamas–Fatah unity governments that were shunned by the US and others.

However, the real story has been the burgeoning relationship between China and Israel, which has tracked with the diminishing importance of “revolutionary” ideology in Chinese foreign relations. China–Israel trade has increased two hundred-fold in the last two decades, to \$10.8 billion in 2013.⁴⁵ Even more important than the quantity of the trade, from Beijing’s perspective, has been its quality – China is enormously interested in Israeli expertise in high technology.⁴⁶ Chinese policy toward the Israeli–Palestinian conflict has at the same time moved toward the international middle ground, such that the “four points”⁴⁷ on the issue are nearly indistinguishable from U.S. and European policy. To the extent China’s diplomatic position is somewhat more favorable to the Palestinians than to Israel, it takes little action to advance it.

China also faces dilemmas with respect to Syria and Iran. Beijing has exercised its UN Security Council veto four times in the past three years to thwart resolutions on Syria – a remarkable number, given that China had previously used its veto power only five times over the previous four decades. Its decision to do so was not, it

⁴² *China in the Middle East: Statement before the U.S.–China Economic and Security Review Commission*, 113th Congress (2013) (Statement by Dr. Jon B. Alterman), https://csis.org/files/attachments/ts130606_alterman.pdf.

⁴³ Louis Charbonneau, “Russia U.N. Veto on Syria Aimed at Crushing West’s Crusade,” *Reuters*, February 8, 2012, U.S. Edition, <http://www.reuters.com/article/2012/02/08/us-un-russia-idUSTRE8170BK20120208>.

⁴⁴ Pan Zhenqiang, “China and the Middle East,” in *China’s Growing Role in the Middle East: Implications for the Region and Beyond*, (DC: Nixon Center, 2010), p. 73–95, <http://www.cftni.org/full-monograph-chinas-growing-role-in-me.pdf>.

⁴⁵ Tova Cohen, “Israel Welcomes Tech-Hungry Chinese Investors,” *Reuters*, May 22, 2014, U.S. edition, <http://www.reuters.com/article/2014/05/22/us-china-israel-investment-idUSBREA4LOQ920140522>.

⁴⁶ Israeli Prime Minister Benjamin Netanyahu said that when he met with the Chinese Prime Minister, he was interested in “three things: Israeli technology, Israeli technology, and Israeli technology.” He said the same of other world leaders. See more, “PM Netanyahu addresses Presidential Conference,” Consulate General of Israel in Toronto, <http://embassies.gov.il/toronto/NewsAndEvents/Pages/PM-Netanyahu-addresses-Israeli-Presidential-Conference-2013.aspx>.

⁴⁷ The four points can be found at “Chinese President Makes Four-Point Proposal for Settlement of Palestinian Question,” *Xinhuanet*, May 6, 2013, http://news.xinhuanet.com/english/china/2013-05/06/c_132363061.htm.

would seem, by any particular affinity for Syrian President Bashar al-Assad, who is not one of China's closer allies in the region. Rather, the decision was likely informed not only by its experience with Libya, but also by a desire to demonstrate solidarity with Moscow and uphold the principle of "non-interference," especially given the simultaneous increase in tensions in the South and East China Seas. In doing so, however, China has risked angering Arab Gulf allies that it has courted assiduously, and with whom it will need smooth relations to assure its energy security in the future.

This same conflict is present to an even greater degree in regard to China's Iran policy. While China's Gulf Arab allies have been fervently opposed to the Assad regime in Syria, they regard Iran as the far greater threat – indeed, in their view, Assad is a mere junior partner to the Iranian regime. Yet China's closest relationship in the region is with Iran, with which it enjoys not just a commonality of interests – whether based on energy relations or a shared desire to constrain American power – but a close affinity. Chinese officials have termed the Sino-Iranian relationship a "strategic partnership," rather than primarily a commercial one. The modern Sino-Iranian relationship predates China's need for oil imports, and even predates its opening of relations with the United States; the historical relationship between China and Iran goes back even further.

This conflict has proven harder for China to dodge than that over Syria. While China has used its position in the so-called "P5+1" group of countries to delay and dilute UN sanctions resolutions and international demands of Iran, it has nevertheless voted in favor of those resolutions and remained more or less aligned with the United States on the issue. It also reduced its oil imports from Iran, due not only to American pressure but to direct lobbying by Saudi Arabia and the UAE – though it has since increased its oil imports from Iran to record levels as American policy on Iran has softened and the threat of a Western military strike on Iran has diminished. Beijing has left itself the option of resuming a much stronger strategic and economic relationship with Iran in the event of such a diplomatic settlement; however, that may prove incompatible with its need for equally cordial relations with other major oil exporters such as Saudi Arabia and the UAE, whose own rivalry with Tehran may intensify in such a scenario.

Future Policy Directions

Even as it pursues greater economic engagement with the Middle East to satisfy its energy needs, it is not at all clear whether China desires or is capable of greater political and security involvement there. Yet its calculus may change if events continue on their present trajectory. If the American disengagement from the region continues, instability there is unlikely to abate, and China may feel compelled to – or possibly see an opportunity to – adopt a more active approach to advancing its regional interests, especially its energy security. It may also be drawn further in by regional states, who tend to look for external support in their regional conflicts. Indeed, signs of increasing Chinese involvement in the region are already abundant – whether PLAN missions to combat piracy and evacuate Chinese citizens from Libya, the appointment in 2002 of a Chinese special envoy for the region (matching similar positions in the US, Japan, and many European states), or the increased pace of high-level official Chinese visits to the region and vice versa.

However, deeper Chinese involvement in the Middle East is not inevitable, but will depend on a variety of factors. Foremost among these will be China's own fortunes domestically and in its neighborhood. Precisely how these factors will affect China's Middle East policy is difficult to predict, though it seems likely that the greater China's own economic difficulties, and the greater the extent to which it must devote diplomatic and security resources to Asian conflicts, the less it will seek to be involved in the Middle East. In addition, Central

Asia may not only compete for China's diplomatic attention but, if it provides a reliable land route for Chinese energy imports, diminish Beijing's dependence on the Middle East's sea lanes.

China's involvement in the region will also be affected by the extent to which the apparent American disengagement from the region is temporary or permanent; a more robust American role in the region will likely "crowd out" some Chinese involvement. The extent to which this is true will depend also on the course of Sino-American relations, especially whether increasing tensions between the US and China in East Asia spill over to their relations in other regions, or whether cooperation in theaters such as the Middle East is seen by Washington and Beijing as a balance to their conflicts in the East and South China Seas. Already there are concerning signs that the Chinese partnership with Iran is driven by a desire to counter U.S. power in the region.⁴⁸ Similarly, Chinese involvement in the region may be driven in part by the extent to which its Asian rivals, such as Japan, South Korea, and India, themselves become more involved in it.

The extent to which China becomes more involved in the political and security affairs of the region will also depend on the success of its early steps in this direction. If, for example, China pays no price in its relations with Gulf Arab states for its strong diplomatic support of the Assad regime or Iran, it may be encouraged to believe that it can successfully manage conflicts among its interests in the region. Chinese involvement in the region will also depend on events; in particular, a nuclear agreement between the P5+1 and Iran will open the door for a deeper Sino-Iranian strategic relationship. Even if China chooses to step up its involvement in the region, it will likely do so slowly, and will seek to hedge its bets rather than stake out a clear policy direction or unequivocally take sides in regional conflicts.

Despite many obstacles, constructive U.S.-China cooperation in the Middle East in advancing mutual interests could be of benefit to both countries and to the region as a whole. Whether such cooperation can be realized depends deeply on the path each country chooses to take not only in the region but in the world: it depends on whether the United States recognizes the costs of disengagement from the Middle East and rebuilds its leadership role and the security architecture it undergirded; and whether China can shake off a zero-sum approach to foreign affairs and emerge as a responsible partner for Washington and others.

⁴⁸ Michael Singh and Jacqueline Newmyer Deal, "China's Iranian Gambit," *Foreign Policy*, October 31, 2011, http://www.foreignpolicy.com/articles/2011/10/31/china_iran_nuclear_relationship.