South Asian Studies

A Research Journal of South Asian Studies Vol. 31, No. 2, July – December 2016, pp. 701 – 711

China's Foreign Policy in the Middle East

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ABSTRACT

The importance of energy rich Middle East region for competing oil dependent economies of China and U.S.A is becoming more intriguing calling for cautious analytical insights for a better understanding. The convergence of interest of U.S and China coupled with the volatile political environment associated with this region questions the notion of 'peaceful rise of China', the nature of its role in the region, and its commitment to retain neutrality which is analyzed in this paper by drawing inferences from its overall foreign policy behavior in the global affairs

China is emerging as an influential actor in international politics owing to its massive economic strength coupled with rapidly developing military might and advancements in science and technology. China's journey of development is necessarily hinged upon an uninterrupted supply of energy which is the life line of both its economic and military prowess and in that context the importance of oil rich Middle East region becomes manifold owing to the major chunks of the crude oil china imports from this region. The strategic importance of Middle East region for the U.S.A is also an established fact that presents an interesting case study for analyzing future course of China-U.S strategic relations.

Key Words: Assertive Foreign policy, peaceful rise, Middle East, energy politics

Introduction

By the turn of 21st century China has emerged as one of the fastest growing economic powers in the world (Ding & Knight, 2008). The country has been experiencing an exorbitant 10 percent growth for almost thirty years and within a period of fifteen years it became the largest export base of the United States with a 1600% rise in its exports to the world super power (Chris, 2010). Owing to such marvelous growth rates and matchless exports, china became a rising world power and hence received special attention from the global community (Paul, 2015) so much so that it is expected to surpass America as the largest, unrivalled economy in the world (PWC, 2009). The "Rise of China" notion was initially used by the Chinese scholar Yan Xvetong of Tsinghua University in a controversial book 'International Environment of China's Rise' published in 1998 and later on in an article by the same scholar titled 'The Rise of China in Chinese Eyes" published in "Journal of Contemporary China". Officially the term 'peaceful rise of China'

appeared in the writings and speeches of Zheng Bijian, a senior policy advisor to the Chinese government (Bijian, 2005). But the word 'rise of China' appeared provocative and entailed possible misinterpretation of the term and hence, was cautiously replaced by "peaceful development of China" by Hu Jintao in 2004 (Ashgate, 2006). In 2013 Xi Jinping at the 3rd study session of the politburo again avoided the term 'rise of China' when he reiterated the need for coordinating domestic and international strategic situation for ensuring China's continued journey on the 'peaceful development' road. Thus, the notion of 'rise' is no more used in Chinese official documents and speeches (Suettinger, 2004).

Thus, official policy statements and outlook of China in dealing with the world is apparently in line with Deng Xiaoping's advice who counseled those at the helm of affairs in China as "to hide your brightness and bide your time" (Chris, 2010) and "to be very cautious and modest like a dog with its tail between its legs" (Xuetong, 2010).

These advises found their way into official foreign policy guidelines outlined in premier Li Peng's speech at the 96th Inter-Parliamentary Conference on September 19, 1996 quoted in the official website of the Embassy of the People's Republic of China in the United States of America that embodies the principles of equality of states, establishing friendly relations based on cooperation with all countries and striving to establish world peace and order.

In 2004, the same principles were echoed by of Wen Jiabao who outlined five "essentials" (yaoyi) of China's peaceful rise:

- 1. "It would involve taking advantage of world peace to promote China's development and safeguarding world peace through China's development;
- 2. It would be based on China's own strength and independent hard work;
- 3. It could not be achieved without continuing the "opening-up policy" and an active set of international trade and economic exchanges;
- 4. It would take several generations; and
- 5. It would "not stand in the way of any other country or pose a threat to any other country, or be achieved at the expense of any particular nation (Agency, 2004)"

The roots of this peaceful rise or development of China without hurting or threatening the interests of other states is attributed to the centuries old "Confucian ideals of benevolence (ren), forbearance (shu), trustfulness (xin), and equality (pingdeng) (Anshan, 2011)"

But the ideals propagated in the official texts, speeches and policy statements enshrining peaceful coexistence and benevolent foreign policy are highly contested and viewed with suspicion as one analyst puts it as "China's explanations for its foreign policy need to be viewed critically" (Verrall, 2015).

Such views can be found in the writings as early as of 1995 in an article by Kiichi Saek who prophesied, "For the United States, only in another 20 years or more might China pose a serious military threat (Saeki, 1995)". But in the recent writings of many scholars the threat perception emanating out of a rising China is

not seen as particularly focused or solely concerning U.S.A, but a general assertiveness in the Chinese foreign policy is considered as an emerging feature marking tectonic shift in Chinese foreign policy viz-a-viz her neighbors and world state actors. A number of research papers and books provide sufficient analytical evidence that support a changing Chinese foreign policy from that of benevolence to assertiveness. It is in such a backdrop that the paper tends to analyze Chinese foreign policy towards the Middle East region.

Literature review

A number of research papers and books are available on the China's rising economic strength and her foreign policy towards the world powers with detailed arguments, speculations and inferences on the future course of world political order revolving around the state behavior and possible transformations and adaptations in china's dealings with the external world.

Saeki (1995) viewed rapid economic growth in China with suspicion and stated that the rise in economic growth with such a great pace would inevitably call for more spending on military and armaments which in turn would not only threaten the global interests of U.S.A. but also create an arms race in the asia pacific region.

Zhao (2005) states that the doubts and suspicions about Chinese military build-up surfaced in 2005 when U.S defense Secretary Donald Rumsfeld in his visit to Beijing raised his country's concerns over the ambiguous and "mixed signals" of Chinese foreign policy towards U.S.A and before that the EP-3 spy plane or the Hainan incident in 2001 had escalated the tension between the two countries to the point of military confrontation. The relationship between the two powers, as the author prophesied, would be a "wary interdependence" i.e. watching each other closely besides interdependence.

Merriden Varrall (2015) of lowy institute also expressed the similar views pointing towards a more proactive role of China in world politics. He points out four key narratives which are frequently used by Chinese leaders and policy makers to justify Chinese foreign policy actions and all these narratives point out towards what the writer calls "filial piety and familial obligation" which places China at the helm of regional and global affairs much like a hierarchical chain running in the family.

Randall Peerenboom (2008) while analyzing Chinese development model and its impact on the global economic and political order reaches at the conclusion that china has emerged as threat to western hegemony by challenging dominant Western models of development and governance. The contemporary realist philosopher J. Mearsheimer in his famous book "The Tragedy of Great Power Politics" concludes his study of the rise of great powers and associated attributes with a comment on China's rise in the present world. According to him the rise of China is inherently and inevitably hegemonic and even if it's becoming of a "true

hegemon" requires conflict with any of the states, stronger or weaker, china is unlikely to give up.

But such views were out rightly negated by Chinese officials, analysts, and policy makers who have insisted upon China's role in global politics as that of a 'benevolent power' and advocated peaceful coexistence with the U.S and the rest of world powers for example Jia Qinggguo (2005) states that china is "learning to live with the hegemon" by accepting U.S dominance and adapting to ground realities of the world politics.

YoJi (2014) offers an explanation for the China's adherence to peaceful coexistence and benevolence. According to him it was considered as a rational decision to avoid conflict and assertiveness so as to promote a conducive international environment where in China could pursue its developmental goals and ensure uninterrupted pace of her economic growth. It was more of a strategy than a principle embodied in the foreign policy of China.

Such views about the Chinese foreign policy got much attention in the recent times. Suisheng Zhao (2015) analyses the Chinese foreign policy from a different angel. According to him a clear shift in China's foreign policy outlook became very much evident in the aftermath of the global economic crises of 2009. So far China had narrowed down the power gap and was in better position to cope with the global financial crises and now it anticipated U.S decline. From that point in time assertiveness in Chinese foreign policy became a striking feature in Chinese foreign policy statements and speeches of the than President Hu Jintao. This assertiveness in Chinese foreign policy stance on various issues has been reinforced since president Xi Jinping's rise to power. He, soon after assuming power, expressed his ambition of revitalizing Chinese nation, labeled as the "China Dream". Since then China has been repeatedly emphasized upon securing its vital interests and has adopted a grand strategy of securing its trade and energy routes known as "One belt One Road Policy".

Andrew Scobell and Scott W. Harold (2013) offer three different perspectives explaining the assertiveness of China. According to him the assertiveness in Chinese foreign policy could be ascribed t:

- 1) Over confident power assessments of America by China
- Provocative American foreign power policy especially in the Asia Pacific designed to check China's rising influence
- Growing domestic pressure from nationalist factions urging China to play a more active role.

Kevin Rudd (2015) depicts a rather gloomy picture of the future U.S- China relations owing not only to the assertiveness of China alone but because of each side is engaged in various forms of mirror imaging of the other which results in "Mutually Assured Misperception".

Understanding Chinese foreign policy in the Middle East

Chinese booming economy has become a very important determinant of China's foreign policy preferences. The push factors of demand and supply owing to massive industrial growth and production, and the need to maintain sustainable development generates the need of securing energy supply routes. In this regard, dynamics and trends in Chinese foreign policy are being widely analyzed and discussed among scholars of international relations. Most of these discussions and analysis reports have a consensus on the point that, massive but gradual changes are being introduced in the foreign policy of China. Thus, it is a widely held perception among scholars and policy analysts interested in Chinese foreign policy that in the contemporary scenario "Beijing has begun to expound its policy preferences and territorial claims more forthrightly, even assertively" (Dittmer, 2015) and that the new Chinese leadership is gradually abandoning "biding time" time advice in favor of a more proactive global stance" (Liao, 2016).

This proactive if not assertive pursuit of foreign relations is more evident in case of its relations with the Middle East where the basic instinct of her Foreign Policy which is to strike balance between her diverse interests "is becoming more treacherous"

The energy rich Middle East region has enormous strategic importance in promoting and sustaining China's economic development. China became the second largest oil importer after the United States of America in 2012. In 2015, China imported a massive 6.7 million barrels per day and it was predicted that it will soon overtake the United States as the world's biggest crude oil importer in the coming years. This prediction proved correct and by the end that year i.e. September 2015, Chinese crude oil imports hit a record 8.04 million barrels per day eclipsing the United States as the top buyers of foreign oil which at that point in time stood at 7.98 million barrels per day.



Source: Financial Times, <u>http://www.ft.com/intl/cms/s/0/342b3a2e-f5a7-11e4-bc6d-00144feab7de.html#axzz3ZqkOpBiB</u>

Thus the Chinese interests in the region have enormously expanded and it is in such a back drop that scholars consider her to be the "New America" in the region and posit that "Beijing has done little but reinvent the U.S. model of global dominance" and is in no way different to U.S imperialistic, hegemonic role which

she had been repudiating in the past but now is gradually assuming the same role in the region. (Hayoun, November 29, 2016).

Apart from energy dependence, china has other major interests in the region which are bound to play a major role in shaping and determining her policy towards the region. From 2005 to 2009, China's total trade volume with the Middle East rose 87%, to \$100 billion and reached approximately \$222 billion in 2012, according to China's official statistics. This surge pushed China to surpass the United States as the top destination for the Middle East's exports in 2010.Search for export markets is thus one of the most important factor and her product exports in the region have enormously increased in the last two decades touching a booming \$121 billion in 2012(IMF, 2012). Importance of the region for Chinese service sector is also a major component of overall Chinese interest in the region. This can be gauged from the fact that China's construction services in the region alone accounted for \$21 billion in 2011. China has been building strong ties with key actors in the region and has, with the passage of time, strengthened her economic relations with them. Its cumulative investment in Iran from 2005 to 2012 was estimated to be \$18.6 billion, including \$13.9 billion in energy sector, 2.1 billion in transportation, and 2.8 billion in metals. China invested around \$13.6 billion in Saudi Arabia, with \$5.2 billion in metals, \$3.3 billion in energy, \$2.2 billion in real estate, and the rest in transportation and other places. In Turkey, \$4.3 billion of China's \$6.4 billion investment went into the energy sector. China became the largest foreign investor in both Iraq and Iran. As many African countries have done, Middle Eastern governments have brought Chinese contractors in to work on major infrastructure projects. Egypt has also partnered with China to develop its Suez special economic zone, a development strategy that China had used itself and promoted in Africa and the least developed parts of Southeast Asia like Laos (Chen and Stone).2 Despite China's more varied investments in the Middle East, it remains concentrated in the energy sector (see Figure 3). This further establishes China's significant dependence on the Middle East's for energy resources, namely oil.

As an interesting dimension of the Chinese foreign policy in the region the relationship with Iran and Saudi Arabia, two contesting but key actors of the Middle East region needs special attention. China has been successfully dealing with both Iran and Saudi Arab despite a very harsh regional rivalry going on between them. As early as 1990's, China has extended her help to Iran in building infrastructure projects like highways, subways, factories, dams, ports, airports, shipyards and energy projects which were destroyed virtually in the Iran-Iraq war. China's support for Iran got a new dimension when the former became one of the few countries who opposed and violated stringent U.S. sanctions on Iran which were imposed by United States in 2013 aimed at curtailing Iran's oil exports. China refused to comply with the sanctions and vowed to increase her oil imports from Iran positing that it opposes "sanctions that will hurt interests of a third party" (The Reuters, August 2, 2013) and the third party here obviously referred to

China itself. Iran's seclusion from the West dominated world order, and particularly from the United States, during the last 36 years has given an opportunity to China to step in and to partially fill the vacuum. China already has a formidable presence in various sectors of the Iranian economy such as oil and gas, manufacturing, chemicals, industrial items, machine tools, and various consumer products to name a few. As and when sanctions against Iran are lifted, Chinese firms are likely to have first mover advantages as they already have built a strong network with the Iranian business and political leaders. While many European firms, particularly from Germany and France, did develop some relationship with Iranian political and business elites, the US firms will have to make extra efforts to make up for the lost time of the last 36 years. Thus, when the sanctions are lifted and Iran gets fully integrated in the global political and economic order, United States and its allies will be unable to reap the benefits of new business opportunities as compare to the Chinese firms that have already established strong relations and good will with the successive Iranian regimes. Iran is accorded great value in China's grand strategic initiative of 'One Belt One Road' initiative which integrates Iran conspicuously. One proposed route would enter Iran from Turkmenistan and move along the southern shore of the Caspian Sea, exiting at Iran's border with northern Iraq. Another route that has been discussed would enter Iran from Pakistan and exit at Iran's border with southern Iraq (Li et al, May 20, 2014). Another important feature that brings Iran and China closer and which is believed to play a pivotal role in determining their concerted policies and united stance viz-a-viz United States and her European allies is deep rooted in a shared historical experience with European imperialism. "The spirit of Sino-Iranian ties means that Beijing seeks cooperation with Iran as a way of making the world whole after the humiliation of ancient non-Western nations at Western hands in the modern era"

(Garver, 2006) Thus both the countries have a similar victim mentality which further cements their relationship and in that way provides an excellent opportunity for China to increase mutual cooperation and interdependence which no doubt is bound to give her an upper hand in the bilateral bargains and in her relations with U.S and western world (Dorraj and Currier, 2008).

As for Saudi Arabia, a primary actor in the Middle East region, China has gradually and cautiously built a strong bilateral relationship and is now considered as replacement and alternative to United States of America for her. The foundation for China-Saudi cooperation is energy, and with good reason: Saudi Arabia is the world's largest oil exporter and China is the world's largest oil importer. It is not surprising that the two countries are interested in deepening their cooperation with each other under the "One Belt, One Road" strategic outline put forward by Chinese President Xi Jinping and the "Vision 2030" program put forward by Prince Salman. China is also seeking to upgrade its status in the Middle East while Saudi Arabia is trying to hedge its bets in a multi-polar world, especially when the United States seems less willing to act as Saudi Arabia's security guarantor. Initially Saudi Arabia strongly opposed the communist China

and took 40 years to recognize it but since its recognition in 1990 which was followed Chinese President Jiang Zemin's first ever visit to the region; the two states have been engaged in a very active diplomatic relationship. Since Zemin's first visit there have been countless visits between senior leaders of two countries which are illustrated in the following figure.



Source: www.rand.org/content/dam/rand/pubs/research_reports/.../RR1229/RAND_RR1229.pdf

The oil factor is considered as a defining factor in China-Saudi relations as the dependence of China on the latter is growing consistently. In November 2016, China's crude oil imports from Saudi Arabia jumped nearly 30 percent from the year before, with Saudi Arabia overtaking Russia to become the largest crude supplier to the world's biggest economy that had just surpassed U.S.A in net oil imports (Reuters, Dec 22, 2016).

For Saudi Arabia, China presents a partial solution to its uneasy partnership with the United States. United States stance on Arab Spring and her insistence on democracy and human rights make the Saudi ruling elite uncomfortable and the recent policies of the U.S in this regard have generated anti American feelings. China is a large, economically dynamic, ideologically moderate, and politically stable country that does not focus on human rights and imposes little, if any, restrictions on the kinds of weapon systems Saudi Arabia could purchase. Furthermore, Beijing has been actively wooing Riyadh with increased number of visits by Chinese senior officials and statesmen since 2000. The relationship has recently been extended beyond the oil and energy sectors. In October 2016, Special Forces from China and Saudi Arabia have held their first joint antiterrorism drills which indicate a major development in their bilateral relations.

Conclusion

China is emerging as a major global power that has already surpassed U.S in various aspects of economic sector. As a booming economic power that has been transformed into world's largest export economy, its massive dependence on oil and energy is inevitable. In order to sustain its economic development china has been actively involved in building strong relations with the major actors in the oil rich Middle East region. Although china and the Middle East countries have apparently nothing in common, as the former is a communist state with an entirely different political and cultural outlook, the latter are predominantly Muslim monarchies and have been largely dependent on the American led alliance systems for security and defense purposes. But the Chinese with their policy of nonintervention and noninterference in the affairs of the other states have successfully won the confidence of many states and in this connection its relations with the Middle East countries serves as an apt example. China has consistently vowed to stick to the principles of nonintervention and noninterference in the region and has clearly indicated the relations to be based on economic interdependence and development. However, it is not easy to avoid interference and intervention in the midst of growing Chinese economic interests in the region and such principles are being frequently used by the Chinese policy makers without explaining the details. China's first "Arab Policy Paper", released on January 13th, 2016 is a vague, waffle document. It talks of "building a new type of international relations", but is devoid of new ideas. The complex internal dynamics of Middle East region would bring greater challenges to the Chinese conventional policy of neutrality. The Saudi-Iran rivalry is one of the prominent challenges that pose serious threats to China and her policy of not taking sides in regional conflicts. The assertiveness in the Chinese foreign policy in the global political arena would ultimately extend to the Arab world and in the wake of mounting internal political turmoil, uprisings, and diminishing U.S role in the region China would find it difficult to distance her from taking sides and meddling in the internal affairs. In case of Syria, the differences with the Saudi Arabia have already been surfaced as China vetoed U.N resolution on intervention in that country clearly favoring the incumbent regime of Assad. Earlier, Chinese opposition to the sanctions imposed on Iran raised suspicions in the Saudi regime. Iran on the other hand is also aware of the implications of depending massively on the Chinese economy

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