China’s Realism in the Middle East

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In 2015, China passed a new security law tasking the People’s Liberation Army (PLA) with protecting the country’s ‘overseas interests’. These interests have extended across the globe as China ’has stood up, grown rich, and become strong’, to quote President Xi Jinping’s speech to the 19th Congress of the Chinese Communist Party in 2017. The Middle East is one of many regions to have attracted increasing Chinese attention, having become an important source and destination of trade and investment, especially in oil and gas, and a key source of China’s energy supplies. China is, in turn, the largest source of direct investment for Middle Eastern countries. More than half a million Chinese citizens live in the region.

Although the United States has been the dominant external power in the Middle East for decades, Washington has been signalling that it wishes to adopt a lower profile there. Not only has the US become more self-sufficient in energy production and hence less dependent on Middle Eastern sources, but its wars and military operations in places such as Iraq, Libya and Yemen have been costly and produced questionable results. Describing the Middle East as ‘totally destabilised, a total and complete mess’ during a rally in December 2015, then-presidential candidate Donald Trump added, ‘I wish we had the four or five trillion dollars that we have spent, and had spent it in

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the United States’, a comment that drew enthusiastic applause. In August 2018, President Trump signed a defence-authorisation law shifting focus from the ‘war on terror’ to great-power rivalry with China and Russia.

These developments raise the question of whether China’s presence in the Middle East might increase as the US presence diminishes. Will China seize the opportunity to establish a heavy military presence in the region, cultivate client states, build alliances and ultimately replace the US as the regional hegemon? Although its interests in and influence over the Middle East are increasing, there is in fact little reason to expect any major shift in China’s strategy. The United States may pull back from the Middle East, but any reduction in American forces or engagement there is likely to be highly calibrated. Beijing will seek to expand its influence in the region, but in a less forward way than the US, adopting more subtle means and a more flexible policy towards its partners. China’s foreign and security policy in the Middle East will probably remain pragmatic and restrained.

**Chinese realism**

Ideology and values have played strong roles in US policy since the end of the Second World War, from the containment of the Soviet Union during the Cold War (pace Henry Kissinger and detente) to the humanitarian intervention of the 1990s to the militarised promotion of democracy to blunt Islamist extremism after the 9/11 attacks. Strong support for Israel on principle has factored into US Middle East policy throughout most of the post-war period. China, in contrast, has focused consistently on narrowly defined interests in international affairs. With the partial exceptions of Japan and Taiwan, where historical grievances also influence policy, Thomas Christensen has noted that Chinese analysts ‘think more like traditional balance-of-power theorists than do most contemporary Western leaders and policy analysts’.

China’s increasingly assertive foreign policy reflects its growing relative power. Deng Xiaoping’s dictum of ‘hide your capabilities and bide your time’, which directed Chinese foreign policy for years, was a strategy for a state with limited capabilities. As China’s capabilities have increased, Beijing has abandoned its former pretences, and now appears to be pursuing hegemony in the Asia-Pacific. China has also shed its reticence about its
desire to shape the international order, with Xi arguing recently that China should lead ‘reform of the global governance system’. However, despite China’s new-found fondness for international organisations, Christensen is right to observe that China ‘does not allow these organizations to prevent it from pursuing its economic or security interests’. For example, even though China has accepted the international non-proliferation regime, it has continued to help Pakistan improve its nuclear arsenal.

China does not put much emphasis on cultural, ideological or political differences in its relations with other states, and is prepared to deal with any type of regime. Although Beijing has become more willing to hold up the Chinese system as an inspiration for other states, Chinese leaders are clear that they do not want to export their model. They may be willing to supply tools that are useful to authoritarian governments, such as technology for internet surveillance and censorship, but these are not ideologically driven. Instead, they are opportunistic and profit-oriented, and perhaps guided by a desire to bolster friendly authoritarian governments.

Chinese interests in the Middle East

Even though the region is far away from China and has not traditionally been seen as vital to Chinese interests, Chinese leaders have recognised its global strategic significance, particularly in terms of energy security. In 2017, China overtook the US as the world’s largest importer of oil (65% of its oil is imported), and whereas US domestic production is increasing, China’s production is declining. By 2030, imported oil may constitute 80% of China’s consumption. Unlike the US, China is heavily dependent on oil imports from the Middle East: despite attempts at diversification, almost half of China’s oil imports still come from that region. Thus, although oil is a fungible commodity, China would be in more trouble than the US if Middle Eastern energy supplies were to be cut off. Beijing therefore has an even stronger strategic interest than Washington in maintaining the region’s political stability and keeping its oil flowing. Moreover, China would be strongly affected if the region’s sea lines of communication were to be obstructed, with the choke points of Hormuz and Bab el-Mandeb being key concerns.
As a major investor in the Middle East – and the largest foreign direct investor in the Arab states – China also has interests there that may be affected by war or instability. More than 80% of Chinese investments are in the energy sector, and Chinese state-owned enterprises are engaged in upstream projects in Iraq, Libya and Iran. Chinese companies have also invested in metals and real estate. In addition, Israeli technology and expertise in the agricultural, medical and high-tech industries make the country an attractive destination for Chinese enterprises. Unlike investments in Europe and the US, where mergers and acquisitions dominate, many Chinese investments in the Middle East are greenfield.

China is heavily engaged in construction contracts in the Arab countries, particularly in the energy, transport and real-estate sectors. The number of such projects is likely to increase under China’s ambitious Belt and Road Initiative (BRI). Because of growing Chinese economic activity, the number of Chinese nationals present in the region has increased rapidly. Although official statistics are lacking, analysts have estimated that 550,000 Chinese reside in the Middle East. The importance of protecting Chinese citizens was on display during the Libya war in 2011, when China evacuated 35,000 people through a massive inter-agency effort that included Chinese state-owned enterprises and the PLA.

Beyond its intrinsic importance as a source of energy, the Middle East also holds value as a source of strategic diversion for China. The US preoccupation with conflicts in the Middle East (as well as Afghanistan) has provided China with breathing room by diverting US attention away from wider great-power competition for more than a decade. Some Chinese analysts, such as Qu Xing, former president of the influential China Institute of International Studies, have openly argued that the continued problems in the Middle East prevent Western countries from engaging strongly in the Asia-Pacific region. According to Qu, instability in the Middle East serves Chinese interests by hampering US efforts to reorient resources towards great-power rivalry with China. In addition, the US ‘war on terror’ made it easier for China to portray itself as an American partner. It has also made the US partly dependent on
Chinese goodwill. For example, the US needs cooperation from China to address the Iran nuclear issue, and Beijing has used this dependency as a source of leverage in its relationship with Washington.22

Chinese analysts emphasise counter-terrorism as a Chinese interest in the Middle East,23 often citing the presence of Uighurs in the ranks of the Islamic State (ISIS).24 However, Chinese scholars also argue that heavy-handed US military efforts, such as the Iraq War, have driven terrorism.25 In its so-called ‘Arab policy paper’ from 2016, China stresses the importance of cooperation mechanisms and intelligence sharing, as well as respect for the sovereignty of other states.26 Unlike the US, China has so far refrained from devoting significant military resources to its international counter-terrorism efforts. For Beijing, there is simply no reason to engage its military in a costly ‘war on terror’ abroad as long as the Americans and Russians are doing the dirty work for them. Instead, China can focus its effort on domestic counter-terrorism efforts. These, of course, have included mass internment (supposedly for ‘re-education’), Orwellian surveillance and massive repression of Uighurs in the Xinjiang region, which have prompted international concern.

Preventing nuclear proliferation in the Middle East is at most a secondary interest for Beijing. While it does not want potential adversaries to develop the bomb, it has long supported Pakistan in its quest for an operational deterrent to counterbalance India.27 It has only a limited interest in preventing Iran from developing a nuclear-weapons capability, and has even supported Iran’s ballistic-missile development.28 As one Chinese scholar put it, the Middle East is far away, and China already has four nuclear-armed states as neighbours, in addition to being in range of the US nuclear arsenal.29 Even though it would prefer to prevent a nuclear cascade in the Middle East, China is not willing to spend blood or treasure to do so. It is, of course, supportive enough of non-proliferation to have expended some diplomatic effort to facilitate the negotiation of the Joint Comprehensive Plan of Action (JCPOA), and to be a party to it. Nevertheless, Chinese scholars tend to see the Iranian nuclear programme (as well as the aborted programmes of Libya and Iraq) as natural responses to threats from the United States. They consider American non-proliferation efforts merely as an attempt to maintain its nuclear advantage.30
China’s low-key approach to the Middle East

Andrew Scobell and Alireza Nader have described China as a ‘wary dragon’ in the Middle East, citing its reluctance to take on a greater security role and its cautious diplomacy.31 Although China has become somewhat more willing to raise its profile after the release of its 2016 Arab policy paper, its approach to the region is still rather reserved and aloof.

China’s Middle East strategy consists of four main elements. Firstly, China has sought to cultivate and maintain good relations with all of the region’s major countries, including Iran, Israel, Saudi Arabia and Turkey. Unlike the US, China does not appear interested in formal alliances, but rather seeks to maintain flexibility in its choice of partners, regardless of regime type. Although nurturing sound relationships with arch-enemies such as Saudi Arabia and Iran requires a delicate balancing act, Beijing has largely managed to pull it off by keeping a low profile. Likewise, despite its official support for a sovereign Palestine based on the pre-1967 borders, China’s policy towards the Israel–Palestine conflict has been relatively muted.32 This reserve has bolstered China’s relationship with Israel. Beijing has also kept a low diplomatic profile in the Syria conflict, despite voting with Russia to protect the Assad regime in the United Nations Security Council and engaging in cautious mediation efforts. Avoiding the Syrian quagmire, which has sucked in most other major players in the Middle East, has bolstered China’s credentials as a ‘neutral’ external actor.

Secondly, China has sought to avoid challenging US interests in the region, and generally refrained from policies that would provoke Washington. For example, although China has provided a degree of diplomatic support to Iran, it refrained from blocking sanctions during the 2000s, and quietly observed unilateral US oil sanctions.33 Knowing that the US considers the Iranian nuclear programme a key concern, China sees no reason to jeopardise its relationship with Washington over an issue in which it has only a limited interest.34 Similarly, although China opposed the Iraq War in 2003, it did so with a soft voice.35 Today, it sees no reason to get involved in military campaigns to stabilise Iraq – not least because it sees the instability there as the United States’ fault to begin with. In fact, some Chinese analysts argue that China benefits from a US military presence in the Middle East, and
that it would not serve China’s interests if the US were to fully withdraw from the region. Not only does US involvement mean that its political, military and economic resources cannot be shifted to the Asia-Pacific, China can also ‘free-ride’ (or at least ‘cheap-ride’) on the security that the US provides. In particular, China privately appreciates US efforts to maintain the Middle East’s sea lines of communication and other measures that keep its oil flowing. China appears to have tacitly supported US measures to keep the Strait of Hormuz open when Iran threatened to close it in 2011.

Thirdly, while China is seeking to bolster its military presence and ability to project power in the Middle East, it is doing so from a position offshore, and preferably without attracting unnecessary attention. China has greatly strengthened its armed forces, and particularly the PLA Navy (PLAN), which plays a key role in protecting Chinese interests abroad and maintaining sea lines of communication. Although China’s ability to project power in the Middle East is still limited, this is likely to change as the PLA strengthens platforms such as aircraft carriers and expands its capacity for strategic airlift. The Chinese military has increased its operations in the region, including through participation in anti-piracy efforts in the Gulf of Aden and UN peacekeeping operations. The 2011 Libya evacuation demonstrated the PLA’s ability to secure Chinese citizens. In summer 2017, China opened its first overseas base in Djibouti, which will facilitate Chinese naval operations in the Middle East and Africa, as well as intelligence collection. Moreover, China is an important source of arms for regional actors and has exported systems such as armed drones to Middle Eastern clients. However, unlike the US, the Chinese military seems determined to stay over the horizon, and to avoid establishing a significant military footprint or any formal alliances on the subcontinent. Chinese arms sales are driven primarily by profit (as well as a desire to test systems in actual combat), and Beijing has been willing to supply both sides in key Middle East rivalries. Most importantly, China has been cautious about the use of military force, as demonstrated by its lack of involvement in Syria despite the presence of Uighur fighters there.

Finally, China prefers economic leverage to military force as a means of securing influence. In its Arab policy paper, China underscores the
importance of investment and trade cooperation, and of implementing the BRI. The paper further highlights China’s continued willingness to provide foreign aid and loans to Arab countries, and in July 2018, China pledged to provide $20 billion in commercial loans to Arab states. Although China’s economic activities in the Middle East are often guided by short-term economic justifications or concerns over energy security, many projects are undoubtedly also geared towards increasing China’s broader political influence. Indeed, the BRI as a whole is substantially an effort to strengthen China’s influence in continental Eurasia at a time of increasing rivalry with the US in maritime East Asia. Several Middle Eastern countries are heavily indebted to Beijing because of BRI projects and may be vulnerable to Chinese pressure and coercion. Strategically located Djibouti is an egregious example; the IMF noted in a recent report that its borrowing programme is extremely risky. Substantial Sri Lankan debt also afforded China access to the strategically important Hambantota Port. Already, China’s growing economic clout is encouraging Middle Eastern states to dance to Beijing’s tune. For example, China has emerged as Egypt’s most important investor, and Chinese enterprises are negotiating with Egyptians over several major projects. In turn, Egyptian authorities rounded up dozens of Uighur students and deported at least 12 in 2017.

By avoiding controversies, eschewing alliances, relying on economic sources of leverage and free-riding on US efforts, China is deflecting negative attention and maintaining flexibility in its choice of partners. Its willingness to deal with governments of all types, and to refrain from attempting to spread its values or ideology, evidences China’s pragmatic restraint in the Middle East.

**Can Chinese pragmatism last?**
Some have argued that China’s Middle East policy will prove unsustainable as its interests in the region continue to become more substantial. According to this view, it will be difficult for China to stay free of the region’s rivalries, and it may have to choose sides, particularly in the Saudi–Iranian rivalry. This outcome is far from certain, however. Expanding Chinese economic involvement in the Middle East may strengthen Chinese influence to the
extent that it is able to withstand any pressure to take sides. Oil-exporting actors in the Middle East are unlikely to be able to leverage their supplier status to pressure China, which could buy its oil elsewhere. The greater the volume China buys, the greater the cost of attempting to dampen or halt oil exports to that country.48

Meanwhile, China is unlikely to challenge US military dominance in the Middle East any time soon. Despite the rapid development of the PLAN, it will be decades before it catches up with the global power-projection capabilities of the US, which possesses 11 aircraft carriers to China’s one.49 Moreover, even though China may be planning to open bases or support facilities beyond Djibouti, its access to facilities that can support extensive naval operations in the Middle East is minimal compared to the broad network available to the US. Even if the United States were to move assets out of the Persian Gulf, most of these would likely be deployed to the Pacific, and thus be able to tie up Chinese naval resources in its own region.

From a realist perspective, there is no real need to challenge the US militarily in the Middle East. Chinese strategists prefer the US to be bogged down in the Middle East rather than focused on Asia, and the US military presence there deters the outbreak of conflict between regional actors, which could threaten the flow of oil. For an increasingly oil-thirsty China, continued US military dominance in the Middle East is far preferable to instability and war. Arguably, it is also preferable to having to step up itself and spend its own military resources to deter conflict in the region.

Admittedly, US naval dominance of the Indian Ocean may give Washington coercive leverage against China in a conflict. Most notably, the US would be able to impose a blockade against China in the Malacca Strait, potentially cutting off Chinese oil supplies. However, this is a risk that China cannot eliminate but can only mitigate until its global military prowess matches that of the US.50 Moreover, China’s so-called Malacca Strait dilemma is overstated, since a blockade would face immense challenges in anything short of a wartime contingency.51 If war were to break out, a blockade would not immediately impede China’s ability to fight, as the country could temporarily reduce its consumption of foreign oil and rely on domestic production, strategic reserves and oil imported through overland pipelines.52
This is not to say that there are no scenarios which could lead to shifts in Chinese policy. For example, just as 9/11 upended US foreign policy, a major terrorist attack originating from or taking place in the Middle East against Chinese interests could force leaders in Beijing to adopt measures they would otherwise view as suboptimal. Indeed, Beijing might face public pressure to do so: despite the authoritarian nature of the political system, Chinese policymakers are not immune to public opinion.53

However, even in this scenario China would most likely opt for a military response with a light footprint. This could involve the use of special-operations forces in punitive raids or rescue missions, or the use of precision weapons in strikes against groups or governments deemed responsible for the attack. The US debacles in Iraq and Afghanistan would discourage a large-scale ground operation in the Middle East, even if China had the capabilities to carry one out. Chinese leaders have seen that massive counter-insurgency and state-building efforts can sap the energy of even the most formidable military force. They are unlikely to repeat the mistakes of the US.

All in all, there is little reason to expect any major shift in China’s Middle East strategy. Rather than trying to spread its values or to establish a network of allies and client states, China seems determined to maintain sound relations with all the major players in the region, to keep a low profile and to avoid the kind of entanglements that have cost the US so dearly. In keeping with this outlook, it will not seek to challenge the US militarily, but rather will uphold Beijing’s preference for economic statecraft, an approach that has already strengthened its regional influence.

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Notes
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6 On China’s strategy, particularly from the mid-1990s, see Goldstein, Rising to the Challenge.


12 See Gao Zugui, ‘Zhongdong jubian yilai Zhongguo yu Zhongdong guojia de guanxi’ [China’s Relations with States in the Middle East After the Upheavals in the Region], Alabo Shijie Yanjiu [Arab World Studies], no. 1, 2015, p. 16.

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17 The calculation, which does not take into account construction contracts, is based on data from ‘China Global Investment Tracker’, American Enterprise Institute, 2019, https://www.aei.org/china-global-investment-tracker/.

18 Ibid.

19 Ibid.

20 Andrew Scobell and Alireza Nader, China in the Middle East: The Wary Dragon (Santa Monica, CA: RAND, 2016), p. 118.


27 See Hiim, Strategic Assistance.

28 Ibid.

29 Interview with Chinese scholar, Beijing, April 2012.


31 Scobell and Nader, China in the Middle East.

32 See Andrew Scobell, ‘China’s Search for Security in the Greater Middle
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34 Hua Liming, ‘Yilang hewenti yu Zhongguo Zhongdong waijiao’ [The Iran Nuclear Issue and China’s Diplomacy in the Middle East], Alabo shijie yanjiu [Arab World Studies], no. 6, 2014, p. 16.


37 Ibid.


39 See Scobell and Nader, China in the Middle East, pp. 41–5, 55–7. See also Elisa Catalano et al., Drone Proliferation: Policy Choices for the Trump Administration (Washington DC: CNAS, 2017).


42 See Rolland, ‘China’s “Belt and Road Initiative”’, pp. 133–4.


