

# CHINA IN THE MIDDLE EAST: FROM BALANCED VAGUENESS TO SELECTIVE ENGAGEMENT

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## **Introduction**

Following the tense US-China meeting in Alaska during the first high-level US-China talks of the Biden administration in March 2021,<sup>1</sup> Chinese State Councillor and Foreign Minister Wang Yi carried out a six-country swing through the Middle East.

After visits to Tokyo and Seoul and just before the meeting in Anchorage, Alaska, the US Secretary of State Antony Blinken summarised that the future American relationship with China “will be competitive where it should be, collaborative where it can be, adversarial where it must be.”<sup>2</sup> While Blinken aimed to signal that the US was ready for discussions from a position of strength, the timing of Wang’s diplomatic tour of the Middle East immediately following the US-China talks did not escape notice. During the six-country tour, Wang responded to Blinken’s three Cs of competition, confrontation and collaboration with his five principles for regional security in the Middle East.<sup>3</sup> Propaganda aside, China is rapidly expanding its economic footprint in the Middle East,<sup>4</sup> but Chinese officials and academicians still debate how and when Chinese economic diplomacy is going to transform into political influence.

Among the six-country diplomatic tour, the stops in the Kingdom of Saudi Arabia, Turkey, and Iran are of particular relevance for framing the trends of China’s future engagement in the Middle East.

## **Regional Security and Non-Interference**

Minister Wang Yi’s visit to Saudi Arabia was centred around the meeting with Saudi Crown Prince Mohammed bin Salman and Foreign Minister Prince Faisal bin Farhan. According to Chen Weiqing,<sup>5</sup> the Chinese ambassador to Saudi Arabia, the discussion between Minister Wang and Crown Prince Mohammed Bin Salman could be summarized in a few core points. First, maintaining a momentum of robust Sino-Saudi cooperation on economic development as well as in the fight against the COVID 19 pandemic. Second, a renewed role for a comprehensive strategic partnership between Beijing and Riyadh to maintain security and stability in the Middle East. Third, in the recently issued 14th Five-Year Plan, the Chinese Belt and Road Initiative’s interests overlap with Saudi Arabia’s Vision 2030. Saudi Arabia’s demand for economic

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diversification away from hydrocarbons is matched by Beijing's offer of new technologies via its Digital Silk Road. Fourth, China is still going to abide by its core principle of non-interference in internal affairs based on the international order centred around the United Nations and underpinned by international law.<sup>6</sup>

Among these core points Wang proposed: "a five-point initiative to achieve peace and stability in the Middle East, calling on countries in the region to respect each other, uphold equity and justice, achieve nuclear non-proliferation, jointly foster collective security, and accelerate development cooperation."

The above mentioned five principles, however, are not a severe rupture with the last decade of Chinese policy in the Middle East and North Africa (MENA) region, but they could signify the start of selective engagement within the region. Minister Wang mentioned that in order to achieve a measure of regional stability "China is willing to play its due role in promoting long-term peace and stability in the Middle East."<sup>7</sup>

China is not a new actor in the Middle East. Following the Bandung conference in 1955, Beijing engaged in the region by supporting the ideological struggle against imperialism and offering its support to national liberation movements.<sup>8</sup> Its material support was however limited by the resources that China was able to muster at the time. Nevertheless, Beijing's support in the Middle East and North Africa ranged from the Algerian National Liberation Front, the Palestinian Liberation Organisation and Fatah group, to the Dhofar Liberation Front<sup>9</sup>. Starting from the late 80s, China shifted to more cautious participation in its approach to the Middle East, especially given its progressive distancing from Soviet positions at the peak of the Cold War. Since 2012, when China increased its energy dependency on the Middle East, Beijing envisioned a proactive role in the region driven by the UN's multilateral consensus, stating in the 2016 China Arab Policy Paper<sup>10</sup> that "the turmoil in the Middle East is rooted in development, and the way out depends on development." Therefore, the Chinese approach to Middle East stabilisation is rooted not on a democratic peace, but a developmental peace. In this respect, most Middle Eastern

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countries are performing a balancing act between Washington and Beijing, with differing degrees of engagement. On the one hand, China is one of the few countries able to invest in and support the region's economic development, especially after Covid-19's negative impact. On the other hand, China's ongoing reform of the People Liberation Army (PLA) exemplifies its current limitations as a security provider<sup>11</sup> in the region.

Concluding his six-day tour of the Middle East, Wang Yi mentioned that: "China supports countries in the region to stay impervious to external pressure and interference, to independently explore development paths suited to its regional realities (...) break free from the shadows of big-power geopolitical rivalry and resolve regional conflicts and differences as masters of the region."<sup>12</sup>

Wang's statement is no different from the Chinese Ministry of Foreign Affairs' position on the Middle East over the last decade: being reluctant to getting sucked into the region's quagmires. On the same bandwidth, the Chinese scholar Sun Degang and China's top diplomat Wu Sike<sup>13</sup> argued that the Middle East is a key region in big power diplomacy and Beijing is seeking common ground while reserving differences, a formula that implies conflict management, rather than conflict resolution.<sup>14</sup>

Zhang Chuchu, a China-Middle Eastern specialist, reiterated the official line that China's involvement and strategic interest in the MENA region are limited compared to the ones in its near abroad.<sup>15</sup> Another Chinese Middle Eastern specialist, Fan Hongda mentioned that Beijing should also pay more attention to the Middle East's non-Arab powers: Turkey, Israel, and Iran.<sup>16</sup>

Nevertheless, the Chinese selective engagement, in shaping an Iranian return to the Joint Comprehensive Plan of Action (JCPOA) and a possible role for Beijing in influencing the transition of the Middle East's security architecture, is going to validate if the newly expressed five principles are just sterile propaganda or a long-term foreign policy vision backed by concrete actions.

### **Taking Stock of the Six-County Tour as Chinese-US Ties Sour**

In the MENA region, China has forged comprehensive strategic partnerships with Saudi Arabia, the United Arab Emirates, Iran, Egypt, and Algeria. While China's energy security is deeply linked to Middle Eastern hydrocarbon reserves, this is not the only factor motivating Beijing's push towards closer involvement with the region. President Xi Jinping's flagship

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foreign policy initiative, the Belt and Road Initiative, coupled with the Digital Silk Road, is expanding in the MENA region even after the outbreak and spread of Covid-19 that is negatively affecting global foreign direct investment flows.<sup>17</sup> At the same time, Beijing benefits from the Biden administration giving the Saudi Crown Prince the cold shoulder, as this drives him closer to China's orbit. At a time of increasing critiques from the west over Xinjiang, Wang's state visit to Riyadh managed to score an important point for Beijing: the reiterated support of Saudi Arabia, home to Islam's two holiest cities, in legitimizing China's policy over its Muslim Uyghur population<sup>18</sup>. Also during the meeting between Wang Yi and his Turkish counterpart Mevlüt Çavuşoğlu,<sup>19</sup> the Uyghur issue seemed to be less contentious with Çavuşoğlu conveying "sensitivity and thoughts on Uyghur Turks." Also, during the meeting with the Turkish President Recep Tayyip Erdoğan, economics and vaccine diplomacy took the front seat in the discussions, with the celebrations of 50 years of the establishment of diplomatic relation between China and Turkey in the background.

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Take Iran, for example. China has signalled its support for a nuclear-free Middle East, has called on the US to return to the Joint Comprehensive Plan of Action, and wants Washington to ease sanctions against Tehran. Wang reiterated this position just a few days before embarking on the Middle Eastern trip, during a meeting with his Russian counterpart, Sergey Lavrov.<sup>20</sup> A return to the Iran nuclear deal negotiating table and the easing of sanctions could benefit China in the form of renewed crude oil imports in exchange for long-awaited infrastructure financing and investments in the manufacturing sector. The much-hyped 25-year economic and security agreement signed over the Iranian leg of the six-country tour could thus lead to real outcomes, though many analysts doubt it is as significant as it has been made out to be.<sup>21</sup> China's reliance on Iran for energy declined during the era of Trump's sanctions and part of the Chinese demand has been met by the Iraqi offer. Therefore, it is unlikely that China will endanger relations with Saudi Arabia

and other Arab countries in favour of Iran. Similarly, in the security arena the 25-year deal with Iran supposedly mentions military hardware transfer, intelligence sharing, and training but it is highly improbable that China is going to forfeit its relations with Israel on this basis. In this respect, China sees endorsement of its principles as a way of managing rather than resolving the myriad Middle Eastern conflicts and avoiding being sucked into them.<sup>22</sup>

The JCPOA is one area in which the interests of the United States and China align.<sup>23</sup> While the Alaska talks highlighted beyond any shadow of doubt the points of friction between Washington and Beijing, the Middle East's ongoing security transition is a chance for both countries to cooperate where their interests overlap, namely in the areas of anti-terrorism and security.

While the US is poised to return to its previous role as an offshore security balancer with few boots on the ground, the Belt and Road Initiative and Digital Silk Road can only prosper in a safe environment. Maintaining the status quo in the region is already an achievement for Beijing, and the prospect of the PLA's direct involvement to fill the security gap left by the US pivot to Asia is unlikely for several reasons. First and foremost, Chinese officials are adamant that China is not going to fill roles played by the US in terms of security provisions. Second, it is not only a matter of willingness, but also of capabilities. Third, China is not only entangled with all the regional actors in the economic sector but is also exporting military hardware including the latest generation of its armed UAVs. More could be on the cards, however. China's current policy of non-alignment in the region differs from its previous stance of non-interference, and it is now carefully placing bets on all sides – “balanced vagueness,”<sup>24</sup> if you will. This increases the chances that its interests will align with those of the US in the Middle East from time to time and could also foster a role for Beijing in the region's post-conflict reconstruction.

### **Digital Silk Road and the Digitalisation of the Middle East**

While a Chinese role as security provider in the Middle East is still a matter of debate and foresight, the region's digitalisation with Chinese characteristics is proceeding at full speed. From 5G, high-speed fibre optic marine cables, cybersecurity, e-services, Big Data analytics and smart cities integration to the Beidou satellite navigation system, China's digital inroad in the Middle East is proceeding at full speed.

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It is not by chance that the meeting between Saudi Arabian Crown Prince Mohammed bin Salman and the Foreign Minister Wang Yi took place at the site of the planned city of Neom.<sup>25</sup> With a price tag of US \$500 billion, the futuristic city is a cornerstone of the Kingdom's Vision 2030 economic diversification push. When completed, the mega-project aims to blend cutting-edge technology, big data, and Artificial Intelligence to create a so-called "cognitive city." China is set to benefit from the opportunities Neom presents, in much the same way it has already done in neighbouring Dubai's push to build a smart city, but on a much larger scale. The financial challenges that Covid-19 and the decline of oil prices pose to the Gulf's ambitious projects like Neom could also pave the way for a broader adoption of Chinese technologies not only for their competitive price, but also the favourable line of credit Chinese state banks are eager to provide.

Beijing is increasing its strategic presence in the region not only to preserve its national energy security via Saudi, Iranian, and Iraqi hydrocarbons acquisition, but also in asserting its own digital ascendancy. While Iran doesn't have many options outside the Chinese digital ecosystem, the rest of the region and especially the Gulf Cooperation Council countries are trying to strike a balance in the level of integration with Chinese information and communications technology (ICT) and the US security requirements against Chinese technologies. The Gulf countries, with different degrees, are looking towards economic diversification to hedge against an over-reliance on oil revenues. The International Monetary Fund estimates that by 2034 the Gulf's financial wealth will be depleted.<sup>26</sup> This is why countries such as the United Arab Emirates and the Kingdom of Saudi Arabia are looking at digitalisation as a way out of the looming crisis. 5G and the ability to transfer data at high-speed, especially the data generated by a growing number of sensors, is at the core of the dispute in choosing a side between the Chinese ICT giants and western counterparts. Nevertheless, Beijing's Digital Silk Road embraces a much wider strategic reach that is at the core of the fourth industrial revolution.<sup>27</sup>

In the digital security realm, the Chinese HikVision is at the forefront of CCTV and visual facial recognition solutions in automatically monitoring the population, a service well received by the Gulf monarchies. Among the e-services that includes e-governance, e-commerce, and fintech, China can count on a mature sector that is already expanding its feelers from Smart Dubai to Neom.

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China's technology juggernaut is proceeding with its inroads in the Middle East following the policy guidelines of Made in China 2025<sup>28</sup> and the AI National Development Plan,<sup>29</sup> where enhanced connectivity acts as a catalyst for trade and development. Nevertheless, the impact of the Chinese 2016 Cyber Security law and its 2020 National Standards on Information Security Technology is going to profoundly affect how Beijing's technology reach is going to interact with other countries digital national security requirements. First and foremost, China considers China's cyberspace as sovereign territory. The Cyber Security Law's unmitigated data access requirements by the state security and intelligence sectors is already on a collision course with other countries' digital laws. Also, from the security standpoint, the integration of the Digital Silk Road into national IT infrastructure has wider implications for the defence sector.<sup>30</sup> In the race to develop Smart cities, the borders between national security and civilian infrastructures are progressively being blurred due to technologies' dual use implications and the strategic role that access to Big Data is playing in the artificial intelligence race.

If the Biden administration is going to force a decision on its allies to avoid any level of integration with the Chinese technology ecosystem, as previously advocated by the former Secretary of State Pompeo's Clean Network Initiative, the result will lead to a bifurcation of standards. While Israel was more responsive due to its deep security cooperation with the US, all other Middle Eastern countries are still evaluating their options as they try to figure out which way the winds are blowing. In the case of Saudi Arabia, the recent shift of policy by the Biden administration's, is pushing Riyadh closer towards Beijing's digital embrace.<sup>31</sup>

## **Conclusion**

A full decade after the Arab spring, most of the countries in the MENA region are still mired in a profound crisis. The ongoing Covid-19 pandemic has worsened the region's already critical social, economic, and political woes. In this environment, no regional actor is capable of asserting itself as an exclusive hegemonic power. Therefore, China is aiming at a broader political dialogue under the aegis of the United Nations, possibly involving Russia and Turkey in a multipolar security architecture and non-aggression agreement with Iran, that could be

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the path to regional stabilisation. Several obstacles face this path, not least the fact that these nations' interests are sometimes at odds. In the Middle East, juggling between China's technological and financial overreach and the US' defence umbrella security requirements is increasingly becoming a complex balancing act. China's shift from balanced vagueness -betting on both sides- to selective engagement towards regional stabilisation, would significantly reduce the risk of dangerous escalations and allow Beijing to expand its engagement in the Middle East beyond economics. However, whether this is sufficient to shield China's mushrooming interests in the region at a time of strategic rivalry with the United States- which is seeking to reconfigure its commitments in the Middle East- is yet to be known.

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