When a Sleeping Giant Wakes – A Neoclassical Realist Analysis of China’s Expanding Ties in the Middle East

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Abstract

Between 1949 and the late 1970s, interactions between China (PRC) and Middle Eastern nations were limited. After China started to implement economic reforms in 1978, however, the country opened up to the global economy in general and the Middle East in particular. Since the 1980s, the new Chinese economic dynamic, as a result of its economic reforms, has significantly increased China’s footprint in the region. China’s distinct approach has been to secure access to natural resources and new markets while, at the same time, making sure not to get bogged down in the Middle East’s political conflicts. However, as we argue in this paper, China’s role has by now become so prominent that it will be increasingly difficult for China to maintain its low-profile role. By analyzing the development of China’s role in the region generally as well as its specific relations to Saudi Arabia, Iran, Iraq, Turkey and Israel, we conclude that China is likely to become a more active player in the region.

Keywords

China – Middle East – foreign policy – neoclassical realism – economic policy
Introduction

China's involvement in the Middle East is hardly a new phenomenon. It can be traced back to the ninth century and the time of the Silk Road. In modern times, however, prior to its economic opening of 1978, China's interest in the Middle East was fairly limited. The beginning of the new millennium, in particular, has seen an unprecedented expansion of Chinese influence in the region. Starting with the adoption of its 'going out' strategy in 2001, China has dramatically increased its footprint in the region (Chen 2011: 1). Primarily focusing on foreign investments, construction projects, and the development of natural resources, China has become a major player in the Middle East. At the same time, Beijing's influence is more and more moving beyond pure economics by also asserting its political interests, mostly through soft power but also militarily.

Although, as this paper argues, the Chinese approach of almost exclusively focusing on commerce has already been abandoned, it had constituted a stark contrast to the approach of the dominant foreign power in the region, the United States. Unlike American foreign policy, China officially rejects interference in the domestic affairs of other states and has been emphasizing its 'soft power' credentials. Unsurprisingly, most of the region's governments have welcomed the increased Chinese role in the Middle East, which seems to grow in parallel to America's disengagement from the region.

Looking at China's ever growing footprint through the lens of neoclassical realism, this article points to both systemic and domestic factors as driving forces. In terms of structural incentives, the global and regional balance of power has been affected by China's impressive economic growth. A natural development for realists, the growing Chinese power has led to an expanded role on the world stage, particularly vis-à-vis the United States which is still the dominant power in the international system. With regard to the regional theatre of the Middle East, China has been particularly effective in increasing its powerbase. As will be pointed out, US influence has decreased significantly after the disastrous invasion of Iraq in 2003 and the events of the so-called Arab Spring. In the wake of these events, the regional balance of power collapsed and is still in the process of being re-established. The momentousness of these events can hardly be over-emphasized as Gerges (2012: 13) notes: ‘Today America's position in the region resembles that of Great Britain at the end of World War II, before its sharp decline in the 1950s. We are witnessing the beginning of the end of America's moment in the Middle East.’ In addition, the Obama administration has deliberately decided to limit the American role in this re-negotiation, providing an opening for other major powers.
like China. This new US posture constitutes a sea change after more than half a century of trying to maintain its status of pre-eminence in the region (Gerges 2012: 2).

So far, however, China’s role has been overwhelmingly economic. Beijing still, by a large margin, lags behind the political role of the US despite the latter power’s disengagement from the region. Nevertheless, Beijing’s political influence is on the rise and will continue to do so. As the Middle East has traditionally been considered a key ‘backyard’ of the United States, China, unlike the more assertive Africa strategy, entered the Middle East more cautiously in order not to trigger an overt rivalry with the US. Since its presence has been solidly established, however, China is taking an ever-increasing role. In the last decade alone, trade between China and the Middle East increased by 600% to $230 billion in 2014 (The Economist 2015). Moreover, recent developments such as the US’s growing energy independence due to its boom in hydraulic fracturing are expected to shrink America’s interest in the region and may open the door for a further increase of China’s footprint (Spencer 2013). As economic power is always political also, Beijing has become an important player in the region.

With regard to domestic factors, the Middle East has fuelled China’s economic expansion. Following Deng Xiaoping’s decision to liberalize the Chinese economy in 1978, the Chinese middle class has been growing enormously. While in 2000 only four percent of urban households were middle class, that number increased to over two-thirds by 2012 and is expected to be at three-quarters by 2022 (Barton 2013). This development has created increasing energy and security needs, partly explaining China’s growing interest in the Middle East. Today, the Communist Party’s legitimacy relies to a large extent on maintaining high growth rates. As China’s economy is dependent on Middle Eastern resources, a direct link between regime stability and Beijing’s role in the region can be established.

However, noting China’s increased impact in the region does not say anything about how the nations of the Middle East view this development. In fact, Beijing’s growing role has led to diverging perceptions. On the one hand, China’s unprecedented economic growth has made it an indispensable trading partner and investor for many countries around the world, prompting some authors to detect the coming of a Chinese empire (Pantucci & Petersen 2012). On the other hand, however, the penetration of Chinese investment capital, goods, and services has caused concern about damage to local economies, undermining traditional industries and workforces.

In terms of structure, the paper starts by providing a short overview about the concept of neoclassical realism as a form of structural realism, which also
considers domestic factors. Following this overview, the paper will discuss structural and domestic driving forces behind China's increased role in the Middle East. Secondly, the paper discusses the development of China's role in the Middle East after the opening of 1978, and particularly since the start of the 21st century. Thirdly, the paper investigates China's relationship with the Middle Eastern countries of Saudi Arabia, Iran, Iraq, Turkey and Israel. Considering the development of China's relations with these countries, we conclude that the People's Republic, due to systemic and domestic incentives, is likely to further abandon its low-key role and become a more assertive player in the Middle East.

Neoclassical Realism – Opening Up the Blackbox

The realist school of international relations theory looks back to a long history. Starting with inductive classical realism with its roots in sociology and history, deductive structural or neorealism took pride in being more scientific, relying on microeconomic thinking. Important to note is that all branches of the realist paradigm have the same starting point: 'Broadly speaking, realism is a political philosophy or worldview that is profoundly pessimistic about the human condition, moral progress, and the capacity of human reason to create a world of peace and harmony' (Schweller 2003a: 323).

The fairly recent branch of neoclassical realism (e.g. Brooks 1997; Feng & Ruizhuang 2006; Rose 1998; Schweller 2003a; Taliaferro et al. 2009) combines key features of classical and structural realism. In contrast to Waltzian-style structural realism, which discounts domestic politics, neoclassical realism considers both systemic and domestic factors as determinants of a state's foreign policy. In consequence, neoclassical realism combines neorealism's focus on systemic factors and the insights of statecraft as prominent in classical realism (Taliaferro et al. 2009: 4). Speaking of an 'imperfect transmission belt,' Taliaferro et al. (2009: 4) argue that domestic considerations intervene between the leader's assessment of the international system and the actual policies that are being conducted. In other words, a leader has to play a two-level game, simultaneously responding to systemic pressures and extracting and mobilizing domestic resources. Leaders conduct foreign policy based on their assessment of relative power and other states' intentions, but always subject to domestic constraints. Having said that, neoclassical realists have not yet reached a consensus about which domestic factor(s) are most important in explaining foreign policy decision-making (Sørensen 2013: 368). This analysis will point to Beijing's need to maintain high growth rates for regime legitimacy as a primary domestic driving force. As there seems to
be a direct link between growth and access to Middle Eastern resources, a mutual dependence can be identified that determines Beijing's domestic calculus.

**China According to Neoclassical Realism**

**Systemic Factors**

China's prominent presence in the Middle East is not without precedent. Historically, its relationship with the Middle East goes back fifteen centuries to the time of the Silk Road's cultural and trade relations. However, modern China did not develop deep ties with the region until after the death of Mao Zedong in 1976 and Deng Xiaoping's subsequent implementation of economic reforms. Before the Deng era, the Middle East was dominated by the superpower rivalry between the United States and the Soviet Union, 'a rivalry that distorted and froze local conflicts,' (Gerges 2012: 2) leaving little room for China to operate. In addition, China, as a communist power, was shunned by the conservative monarchies in the Middle East. Consequently, China's policy toward the Middle East had primarily involved attempts to convince Middle Eastern governments to give up relations with Taiwan and recognize the People's Republic. Beyond these efforts, China had intentionally limited its role in the region, as it considered the Middle East too distant for investments (Liangxiang 2005: 3).

With the end of the superpower rivalry after the collapse of the Soviet Union, the United States, undoubtedly, became the world's pre-eminent power. Seen from a global perspective, the international system was greatly out of balance as there was no serious peer competitor to the US. In the 1990s, China took this setting as the starting point for a blueprint called 'peaceful development strategy' in which Beijing put a premium on its economic development, avoiding to cause confrontations with the global hegemon (Sørensen 2013: 373). Adherents of the balance of power thinking expect, however, that power imbalances, at least over the long run, trigger counterbalancing behavior by other states. As a result, many scholars following the realist playbook expect that as China is growing its economic and military capabilities, its foreign policy will become increasingly assertive and nationalistic. And in fact, there have been signs in China's immediate South Asian neighborhood that point to such a 'new assertiveness' (Schweller 2014b: 10).

As the focus of this paper is on China's role in the Middle East, the global balance of power, although important, is not the main focus. Rather, the regional balance of power in the Middle East will be key to explain Beijing's maneuvering. It seems that China has been able to increase its footprint in the
region as, due to its increasing economic might, the balance of power started to shift in its favor. ‘The more fluid balance of power that China contemplates in the Middle East is a perfect counterpart to the multi-polar international system it envisions in the post-American world order’ (Bianchi 2013: 111).

There are three main systemic reasons that have led to China’s increased role in the Middle East. First and foremost, China’s strengthened relative power due to its economic expansion caused a growing Chinese interest in the region, a development that started off relatively slowly but has today elevated the Middle East to a key region for China. The trigger in this development was Beijing’s economic liberalization. As Wu (2010: 18) notes: ‘The Middle East, though not a neighboring region of China, began to be regarded as a “strategic extension” relevant to the security of the western part of China. In addition to its long-standing significance to China’s economic, trade, and energy interests, the Middle East became more prominent in China’s geo-strategic calculus.’

In a sense, China’s turn to the MENA region was a result of economic necessity. Unprecedented economic growth following Deng’s reform agenda increased the country’s energy needs and awakened a new interest in the region (Steinhilber 2006: 3). To understand this drive for natural resources, a look at the economic data is useful. Besides being a net oil importer since 1993, China became the world’s biggest importer of oil in 2015, half of it coming from the Middle East. By 2035, China is expected to again double its Middle Eastern oil imports (The Economist 2015). The Middle East is valuable to China not only as a source of oil, but also for its enormous potential as a labor market. China has signed contracts in all of the Gulf Cooperation Council states for oil labor services, and has now expanded oil services into Kuwait, Egypt, Qatar, Oman, and other parts of the Arab world (Liangxiang 2005: 4).

Secondly, China has been able to fill the gaps that were created by the exit of Western trade partners from the Middle East during periods of political turmoil. For example, Sino-Iranian economic relations developed rapidly in the aftermath of Iran’s 1979 revolution, when some of Iran’s traditional trading partners at the time, such as the United States and the United Kingdom, withdrew. Further examples include the US refusal to sell weapons to Turkey in 1974 during the Cyprus Conflict, which helped to shape the Sino-Turkish strategic partnership, and the withdrawal of Western oil companies from Sudan, Iraq, and Libya, which paved the way for the entry of Chinese oil companies (Shichor 2013b). Most recently, the so-called Arab Spring not only hit the US unprepared; additionally, the uprisings ‘have clearly revealed the inability of the Obama administration to shape the future of the region’ (Gerges 2012: 11).
Thirdly, and most importantly for the contemporary context, China has benefited from America’s declining clout in the region due to its ‘self-inflicted wounds in the Middle East’ (Bianchi 2013: 104). When Schweller (2014b: 2) sees ‘Pax Americana coming to an end’ he points to a global development that seems to resonate in the Middle East. As Sørensen (2013: 373) notes, the conditions of the 1990s that led to the ‘peaceful development strategy’ no longer hold today:

... the changing room to maneuver for Beijing is a consequence of the relative decline of the US position and thus the weakening unipolarity. Confronting changing overall systemic opportunities and constraints, it is difficult for Beijing to continue the free riding and sustain a low profile.

A key aspect in the changed balance of power in the Middle East was the Bush administration’s Iraq war of 2003. What was true for the international system in general was particularly apparent in the theatre of the Middle East: Not only did the Iraq war and its aftermath gave rise to new players, regional and global, in the Middle East,

‘the cost to America in blood, treasure, and moral standing, [of] Bush’s wars disrupted the fragile balance of power in the greater Middle East, which was based on rivalries among authoritarian regimes like Iran and Iraq, and shattered the confidence and trust that pivotal regional actors, particularly Turkey, Pakistan, and Egypt, had in the United States.’

Gerges 2012: 6–7

Moreover, the Obama administration has undertaken a rebalancing strategy with a pivot to East Asia. In its wake, the US has been eager to reduce its military and political investment in the Middle East (Lynch 2015: 18). As Bianchi (2013: 105) succinctly summarises:

Obama’s foreign policy team would like to disengage from the string of Middle Eastern failures that has sapped American prestige and influence for more than a decade and shift to the more urgent task of parrying China’s expansion in the Pacific and Indian Oceans ... Obama’s eastward focus attempts to stem the powerful current of Islamic countries that have strengthened ties with China while quarrelling more and more with the US. A growing number of former American allies, including some that were virtual US dependencies, are now hedging their bets with more independent foreign policies that actively
court Chinese investment, trade, military cooperation and diplomatic support.

**Domestic Factors**

First and foremost, the Chinese leadership’s primary goal is to keep the Chinese Communist Party in power. In order to do that, maintaining domestic social and political stability is a top priority (Sørensen 2013: 364). As Schweller (2014b: 17) notes, ‘Currently, the Communist Party of China (CPC) legitimizes its rule less on communist principles than on continued prosperity and the avoidance of social chaos, combined with appeals to nationalism.’

According to Beijing’s calculus, as growth is partly dependent on access to Middle Eastern resources, China will have to act more assertively in cases when non-confrontational means are not enough to solve the issue. ‘Beijing’s need to protect … Chinese investments challenges its traditional emphasis on non-intervention in domestic affairs of other states and the nonuse of force in international affairs’ (Sørensen 2013: 374). Interestingly, as Schweller (2014b: 14) argues, China’s new assertiveness will also continue in case of economic troubles:

A severe economic crisis or downturn causes social unrest at home. Threatened by mass discontent and antigovernment hostility, the ruling regime tries to shore up its domestic support by searching for enemies (an out-group to target) in an attempt to: (1) divert the public’s attention away from the government’s poor performance (its inability to solve the country’s economic troubles) and (2) gain in-group solidarity and a rally-around-the-flag effect.

Furthermore, there seems to be a notion within the Chinese leadership that China should make use of a perceived US decline and retake its rightful place as great power (Sorensen 2013: 376). Beijing has been well aware that ‘The combination of the crisis of legitimacy, induced by the failure of George W. Bush’s wars and the financial crisis, triggered by the functioning of unregulated markets has led the United States to a serious crisis’ (Fabbrini & Yossef 2015: 73). This points to the direct link between growing power and growing nationalism that realists have pointed out. “Nationalism is a natural complement to structural realist theory; its domestic-level counterpart. The notion of a constant struggle among nations over issues of power, security, and prestige that animates realism is in no small part a consequence of nationalism” (Schweller 2014b: 9). As Schweller (2014b: 12) notes, especially since 2010, the Chinese...
leadership has been more and more willing to use nationalist sentiments in confronting Western powers, leading him to expect that Chinese nationalism will grow in parallel to its economic expansion.

How Systemic and Domestic Pressure Translates to Policy

China’s efforts to significantly increase business partnerships in the Muslim world have grown especially after the Chinese government adopted the ‘going out’ (zou chu qu) strategy in 2001 (Hayoun 2013: 90). According to Chen (2011), ‘this strategy called for expanding investment activity outward, taking on major foreign construction projects, and developing overseas natural resource supplies.’ As part of its long-term geostrategic thinking, China decided to actively pursue a new energy policy. Lin (2013: xv) writes: ‘In 2002, motivated by these and other considerations, China’s leaders decided that energy security was ‘too important to be left to market forces alone.’ Chinese energy security has driven many of its key investments in recent years, particularly in the oil, gas, and mining industries, as China seeks to secure the resources it requires to fuel its domestic growth and enormous consumer demand.

The increased economic Chinese presence in the region and China’s rise to become the dominant customer for the region’s commodities is even more striking when compared to the declining economic role of the United States during the same period.

One of the most obvious indicators of China’s increasing involvement in the Middle East is the explosion in economic activity. From 2005 to 2009, the total trade volume between China and the Middle East rose 87 percent, to $100 billion, and the Middle East’s exports to China grew by 25 percent. In contrast, exports from the Middle East to the United States declined by 45 percent during that same period.

In addition to the increased trade volume, China expanded its investments in the Middle East. According to analysis by the American Enterprise Institute, Chinese investment in the MENA region amounts to $109 billion between 2005 and 2016 (The American Enterprise 2016). In line with this development, China launched the Asian Infrastructure Investment Bank (AIIB), which seeks to function as an alternative to western-dominated institutions like the World Bank or the International Monetary Fund. The AIIB also resembles the
backbone of the “New Silk Road Initiative,” as discussed below, through providing the necessary funding (Lai & Lingwall 2015). It does not surprise then that Egypt joined the new institution as a founding member while Saudi Arabia, Iran, the UAE, Jordan, Oman, Qatar, and Kuwait joined as associate members.

The Chinese tourist industry is another noteworthy area of growth. The Middle East has attracted many Chinese visitors over the last decade. Chinese tourists tend to spend large amounts of money during their visits, benefiting local economies. To provide some numbers, before the political upheaval during the Arab Spring, about 65,000 Chinese tourists travelled to Egypt yearly, Chinese tourists were the largest tourist group in Dubai, and about 15,000 Chinese went on pilgrimage to Saudi Arabia (Kazemi & Chen 2014: 43). Some (e.g. Ulgen 2014) go as far as to describe the growing relationship between China and the Middle East as a ‘new southern Silk Road developing across the emerging world.’ And in fact, China officially announced its ‘New Silk Road Initiative’ in 2014. This strategy aims at connecting China with Europe and Africa, with the Middle East as necessary geographic bridge (Kazemi & Chen 2014: 43). As part of the initiative, China has promised to spend almost $50 billion for infrastructure projects like building railways, roads, pipelines, and shipping lanes (Lai & Lingwall 2014).

**Beyond Pure Economics**

The driving force behind China’s maneuvering in the Middle East is its strategic blueprint. According to Alterman and Garver (2008: 19), China’s strategy toward the countries of the Middle East rests on two main pillars:

(1) expanding friendly, multidimensional cooperation and relations of mutual understanding and trust with all countries in the region, which entails maintaining a degree of neutrality and evenhandedness in conflicts between Middle Eastern states; (2) channeling Middle Eastern resources—export markets, capital, and, above all, petroleum—into China’s development drive.

The first tenet stands in particularly stark contrast with the policies of Western states that, at least officially, uphold human rights. China, in contrast, stresses its policy of non-interference. This behavior is in line with the argument that Chinese analysts’ thinking, compared to their Western counterparts, is much more built around the assumptions of realism (Lim 2011: 299). As Sun and Zoubir (2015: 921) succinctly put it, Beijing believes that ‘... good governance is
better than bad democracy’ and that ‘feeding one's people is the most crucial.’ This goes back to the five principles announced by chairman Mao Zedong in 1949 (‘Agreement’) that still guide China's foreign policy. These principles stress mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

Even after Deng's policies of reform, China's policies only slowly changed in this regard. As Wu (2010: 15) illustrates, Deng placed special emphasis on Mao's heritage: ‘Chinese leader Deng Xiao-ping instituted a foreign policy strategy of ‘observing calmly, securing our position, coping with affairs calmly’ and ‘never claiming leadership, maintaining a low profile, making some contributions.’

Having said that however, more recently, China has been giving up on this voluntary restraint. Besides the more general objectives of China's strategy provided by Alterman and Garver, Chen (2011: 6) sees further, more specific, Chinese goals: ‘securing access to energy sources, developing markets for Chinese exports of goods and labor, combating terrorist support for Uighur separatists, [and] obtaining diplomatic support from Middle East governments against Taiwan.’ As this list indicates, China has moved beyond a strategy of exclusively peaceful means. This reflects the realist expectation that with growing power, China will increasingly make its voice heard.

China has pursued its strategic goals through a variety of policies. It makes sense to distinguish between their political and cultural nature. With regard to the former category, China has spent considerable energy building its relationships with Middle Eastern states through diplomatic means. In addition to Beijing's diplomatic role as a permanent member of the United Nations (UN) Security Council, China has become adept at engaging regional organizations. For example, China has been engaging the Gulf Cooperation Council (GCC), the Arab League, and the Organization of the Islamic Cooperation (OIC). The PRC believes that the role of these regional organizations is to settle disputes on behalf of parties to a conflict only in cases when they are unable to resolve them themselves. The next option would be to turn to the UN and only as a last resort, as least desired option, unilateral intervention by external powers may be contemplated (Shichor 2013b).

Furthermore, China has increased its military cooperation with Egypt, Lebanon, Turkey, Oman, the United Arab Emirates (UAE), and Qatar (Chen 2011:3). Moreover, while still nowhere near the level of the US presence in the Middle East, China has expanded its physical footprint somewhat in the region. For example, the People's Liberation Army (PLA) deployed ships in the Gulf of Aden as part of an anti-piracy mission and also provided a contingent of soldiers to the UN Interim Force in Lebanon (Chen 2011: 3). More recently, China
has deployed troops to Mali, which analysts see as related to Beijing’s interests in neighboring Algeria, as well as to Sudan (Butch 2015).

China has been able to maintain good relations with diverse regional players and portrays itself as providing equal treatment to all parties. Key features of this behavior are taking a low profile and noncommittal positions on controversial regional issues. As a recent example, China has both supported and vetoed UN resolutions in the Syrian crisis. Beijing has also been active in terms of other diplomatic means in Syria (Ren 2014). Through skillful diplomacy, China has been able to maximize its economic benefits through ongoing trade relations and views the strengthening of economic ties as one way to overcome conflicts. Moreover, China has thus far been able to balance and maintain positive relationships with the major ethnic groups in the region: Arabs, Persians, Turks, and Jews. Underlying the emphasis on good relations with all parties, however, is a specific Chinese policy, the policy of counter-dependence: China tries to create structures of counter-dependence through accelerated export and investments, as well as through its role in international organizations, leading to a situation in which China’s partner is dependent on Beijing (Chen 2011: 3).

Arguably, China’s so far mostly soft-spoken foreign policy has led to success. Beijing’s non-intervention policy and its less direct approach, it seems, does not just achieve good relations with its business partners; it also achieves goals that could not have been achieved with more aggressive forms of diplomacy. For example:

The 1991 US-led offensive against Saddam Hussein had been facilitated by China’s abstention on UN Security Council Resolution 1678. On other occasions, China supported sanctions contrary to its stated policy and tried to convince the respective leaders (e.g. in Sudan and Iran) to comply with UN, EU or IAEA resolutions. . . . China’s non-intervention policy reminds us of traditional wuwei principles of not exerting oneself and getting all things done.

SHICHOR 2013B

More recent examples include China’s more active role in the negotiations about the Iranian nuclear program which led to a settlement in 2015, the almost simultaneous invitations to both the Israeli and Palestinian leadership to visit Beijing in 2013, as well as attempts to mediate between Sudan and South Sudan and, as mentioned above, in the Syrian crisis (Sun & Zoubir 2015: 920).

Public opinion data seems to support Chinese policies. A 2011 poll of citizens in Egypt, Jordan, Lebanon, Morocco, and UAE found that Arabs prefer China over the United States as a global superpower by 23% to America’s 7%
(Telhami 2011). Chen (2011:4) also cites survey data showing China’s increasingly positive image among the general public in the Middle East, especially in comparison to the image of the United States.

An Arab youth survey conducted by a Dubai-based public relations agency in 2009 revealed that China received higher favorability ratings than the United States among 18-24-year-olds. Likewise, Pew Global Attitude Project surveys from 2005 onward show favorable views of China ranging between 45 and 53 percent, while those of the United States languish between 19 and 38 percent. Similar findings from the BBC World Service Opinion Poll in 2010 show that 43 percent of those surveyed viewed Chinese influence as positive versus 29 percent for the United States. Finally, in the Brookings Arab Public Opinion Poll conducted in 2010, when asked for one’s preference of a superpower, China advanced from its third-place ranking in 2009 to second place, while the United States remained second to last.

Expectations among Middle Eastern partners, contrary to realist expectations, are high in the post-9/11 period that even with its new global standing, China will continue to play the role of a low-key and unobtrusive player (Shichor 2013b).

With regard to the cultural sphere, China is building on the warm welcome it is receiving in the region. In particular, China has been expanding its soft power credentials in the region. A powerful example for this development is the launching of a CCTV station to broadcast news in Arabic favorable to Chinese views (Polk 2014). Moreover, as China’s importance as a trading partner is increasing, it has become fashionable in the Middle East to learn Chinese. China is trying to appeal to the Arab youth through Confucius centers in order to introduce them to Chinese culture, while providing scholarships for youth to study in China. Confucius Institutes have been opened in Lebanon, Jordan, Iran, Israel, Egypt, and Morocco and, for example, 1,500 Saudi students have recently been studying in China (Kazemi & Chen 2014: 43).

**China and Saudi Arabia**

The relationship between China and Saudi Arabia is a fairly recent one. Diplomatic relations were only established in 1990. During the Cold War, Saudi Arabia was a staunch ally of the United States and it consequently did not
recognize communist China. Once relations had been established, however, the ties between the two countries developed at a rapid pace. Most recently, the growing disenchantment between the United States and Saudi Arabia has strengthened China’s role. Today, although the United States remains Saudi Arabia’s key security partner, China has become the Kingdom’s largest economic partner.

There seems to be a consensus within the Saudi leadership that it is over-reliant on the United States (Nazer 2015). Riyadh has been critical of the US role during the Arab Spring and in the negotiations about the Iranian nuclear program. In addition, the Saudis have seen the US becoming less dependent on foreign oil due to its fracking boom. It seems fair to argue, then, that as the US is becoming less attractive as a partner, China will play a bigger role.

As far as Riyadh’s interests are concerned, ‘Saudi Arabia needs steady consumers rather than investment, and it is here that China provides a welcome alternative to the seemingly capricious consuming markets of the United States’ (Alterman and Garver 2008: 58). It should be no surprise then that late King Abdallah’s first abroad trip took him to Beijing in 2006. In 2009, China surpassed the United States as Saudi Arabia’s number-one oil customer (Wagner & Cafiero 2013). Saudi Arabia has also made significant investments in Chinese refineries and Chinese companies developing Saudi Arabia’s own refineries and natural-gas fields. In particular, there has been cooperation between Saudi Aramco and China Petroleum and Chemical Corporation (Sinopec) (Kazemi & Chen 2014: 41). From a Saudi perspective, China is also an attractive partner in its role as alternative weapons supplier (Nazer 2015). A major driving force behind the growing ties is that China does not interfere into Saudi domestic affairs. The Chinese leadership has been cautious not to criticize policies that, for example, have been condemned by the United States. Saudi Arabia has returned the favor, staying silent on China’s treatment of its Muslim minority. Still, the Saudi relationship with China is not free of controversies. The war in Syria, in particular, has irritated Riyadh. The Saudis interpret China’s role as more or less openly supporting the Assad regime, a regime the Saudis want removed (Nazer 2015).

As far as China is concerned, Saudi Arabia constitutes a reliable partner due to its political stability. Looking at potential alternatives, Iran, until recently, proved to be a problematic partner due to its nuclear program, and Iraq has been in turmoil ever since the American invasion of 2003. Former Chinese president Jiang Zemin used the phrase ‘strategic oil partnership’ to describe the state of relations between Beijing and Riyadh (Pham 2011). China has also been making considerable investments in Saudi Arabia, investing $19.5 billion in 2014 (The American Enterprise 2016). In 2014, Saudi Arabia was China’s
biggest source of oil imports, contributing a share of 16.1% of overall imports (The Economist 2015). In terms of trade, Saudi Arabia ranks first among China's Middle Eastern trading partners. Bilateral trade increased from $5 billion in 2002 to $15 billion in 2005 and reached $40 billion in 2010 (Lin 2013: 8). Most prominently among Chinese exports to Saudi Arabia are cars, textiles, processed and packaged foods, heavy industrial equipment and electrical products as well as cement (Daher 2009: 21). Infrastructure projects are in high demand as well, the best-known example being the Mecca monorail project that was completed by the state-owned China Railway Construction Corporation in November 2010.

China and Iran

The relationship between China and Iran has always been both economic and strategic. While the relationship was close when the Shah ruled Iran, it took Beijing some time and effort to get to good terms with the new Iranian regime after the revolution of 1979 (Garver 2013b: 70). During the 1980s, Sino-Iranian economic relations developed quickly as China was able to step into the footsteps of Western companies that stopped doing business with the Islamic Republic. In later years, Chinese companies profited from Iran's need to rebuild after its costly war with Iraq and the sanctions regime that was imposed on the country in response to its nuclear program. Between 2005 and 2016, China has invested $17.83 billion in Iran (The American Enterprise 2016). Today, China is Iran's largest oil export market and trading partner (Hong 2013: 409). For Iran, China became an increasingly important destination for its oil exports. Iran currently supplies 8.9% of China's total oil imports and is China's fourth-largest source of oil (The Economist 2015).

In addition to common economic interests, China and Iran have had common strategic goals. Particularly after the end of the Cold War, both countries have been interested in establishing a multipolar world order at the cost of the United States (Hong 2013: 411). After the 9/11 attacks when the United States toppled two regimes that were hostile to Iran—in Afghanistan and in Iraq—the Islamic Republic was able to increase its influence in the Middle East. At the same time, US-Iranian disagreements continued and became more prominent over the Iranian nuclear program. As Wu (2010: 22) notes, 'The rise of Iran and a bitter Iran-U.S. antagonism composed the background of Sino-Iranian relations in the first decade of the twenty-first century.' Today, as Hong (2013: 418) writes, 'Sino-Iranian relations mainly emphasize pragmatism and economic interests, focusing on energy trade and direct investment,
economic and technological cooperation.’ The greatest obstacle in the relationship, until very recently, had been China’s strategic dilemma of maintaining a position of non-confrontation and cooperation with world powers over Iran’s nuclear controversy, while continuing to maintain its energy security (Hong 2013). The recent settlement of the nuclear issue and the end to sanctions might boost China’s trading relationship with Iran as the Islamic Republic will have to invest significantly in order to become competitive on world markets.

Having said that, however, there are also conflicting views in the Sino-Iranian relationship. While Iranian objectives regarding China have been clear, China, as hinted at above, has followed a more flexible course. On the one hand, Iran wants to use China to balance US power in the region, build up strong commercial ties, and eventually transform the relationship into a substantial strategic partnership. China, however, ‘sees issues long-term, prefers to leave commercial relations in their own domain and not taint them with political overtones’ and has thus carefully avoided the term ‘strategic’ in reference to its relations with Iran (Chubin 2010: 67). This is indicative of the fine balancing act China is undertaking between close cooperation with Iran and the effort to avoid a confrontation with the US (Garver 2013b: 69).

Regarding the Iranian nuclear program, China favored dialogue to resolve the issue and opposed unilateral sanctions. Although it eventually voted for the various rounds of sanctions, it tried to water them down as much as possible. In addition, Chinese companies have been circumventing sanctions. As a result, Chinese companies even profited from the sanctions because they faced no competition from Western companies in developing large Iranian oil fields (Garver 2011a: 78). In addition, military action against Iran would have been against Chinese interests, as it would threaten oil supplies and the use of the Persian Gulf as a secure energy transit route (Pember-Finn 2011: 42–43).

Finally, in terms of arms sales, China has become one of the most important suppliers of arms to the Islamic Republic. According to the Stockholm International Peace Research Institute (SIPRI), China was Iran’s number-two arms supplier in the period between 2002 and 2009 (Garver 2011a: 76). Arms sales are no new element in Sino-Iranian relations; Iran relied heavily on Chinese ammunition during the Iran-Iraq war.

China and Iraq

In Iraq’s recent political development, the fall of the regime of Saddam Hussein in 2003 marks a watershed moment. China had already had strong economic
ties with the Saddam regime as Beijing was among Iraq's biggest customers under the UN-administered Oil for Food Program (Steinhilber 2006: 10). After the American invasion, economic relations expanded dramatically, however. Trade between Iraq and China doubled about 34 times in the decade after the invasion. In 2012, China was the second-largest buyer of Iraqi products ($12.6 billion), and the second-largest provider of imports ($4.9 billion). It does not surprise then that some analysts see China as one of the biggest beneficiaries of the Iraq war (Al-Tamimi 2013). Following the impressive economic data, both nations upgraded their relationship to a 'strategic partnership' in 2015 (Tiezzi 2015). China has seen Iraq's potential in having the world's fourth-largest proven oil reserves as an option to diversify the sources of its oil imports (Lin 2013: xv). In 2014, Iraq ranked third in Chinese oil supplies, providing 9.3% of China's overall imports (The Economist 2015). In terms of investments, China invested $16.3 billion between 2005 and 2016, a rough equivalent of the amount it invested in Iran (The American Enterprise 2016). For Iraq, Chinese investments may function as the desired capital inflow to rebuild its economy in general and increase Iraq's oil production capacities in particular. Furthermore, China has also played the role of arms supplier to Iraq (Lin 2013: xv).

Despite this seemingly success story, however, Iraq, even more so than Iran, has been subject to political turmoil which has caused concern in Beijing. After the fall of Saddam Hussein, the resulting security vacuum had a profoundly negative impact on Iraq's energy production and transportation infrastructure. These days, the rise of ISIS has further elevated this problem. For example, in 2014, China and Iraq had planned to double their oil trade through new agreements. Due to the threat posed by ISIS, however, only half of the increase could be implemented (Tiezzi 2015).

China's diplomacy vis-à-vis Iraq can be seen as a prime example of its overall strategy in the Middle East. As pointed out above, China has been very cautious not to enter into confrontation with the United States in the region. It does not surprise then that, in the run-up to the Iraq war in 2003, China took a backseat role in the UN Security Council. Despite the United States violating China's core principle of non-interference, Beijing, in contrast to Russia, France, and Germany, did not openly criticize the US. China considered its economic development, at least partly dependent on the US, more important than a conflict over a third country.

Having said that, however, today's Iraq may provide a look into China's future role in the region. Iraq, it seems, might be taken to predict a future abandonment of non-interference when that principle conflicts with vital economic interests. Although it does not support the creation of a Kurdish state,
China has developed and improved its relations with the Kurdish leadership in order to bypass the central government in Baghdad and thus gain direct access to Iraq’s northern oil. As Pham (2011) writes:

Within months of the fall of Saddam Hussein, Jalal Talabani, chairman of the Patriotic Union of Kurdistan and later president of Iraq, was invited to Beijing for an officially “unofficial” visit to discuss China’s interest in helping with “economic development” in the Kurdish area—which just happens to sit on top of 40 percent of Iraq’s proven petroleum reserves.

Furthermore, although China, in accordance with its traditional non-committing behaviour, has not joined the international anti-ISIS coalition led by the United States, Beijing has been active in supporting the Iraqi government. As China is eager to protect its Iraqi interests, some even see the possibility of a future Chinese military role in Iraq (Butch 2015).

China and Turkey

The relationship between China and Turkey is different from those discussed above in that Turkey is no major supplier of natural resources. It thus constitutes a good case to investigate China’s maneuvering in the region beyond oil. Prior to both nations’ economic liberalization in the early 1980s, China and Turkey had not established a significant relationship. Sensitive issues such as the Uyghurs in Xinjiang, a Muslim minority, and Turkey’s NATO alliance had held back the development of their relationship. This changed with a ‘political rapprochement’ between both countries in the 1990s after Turkey settled the ‘policy dilemma’ of the Uyghurs (Atli 2015: 128).

There are two noteworthy aspects to the Turkey-Sino relationship, which was upgraded to a strategic partnership in 2010: bilateral trade and political relations. In terms of economics, as Atli notes, Turkey has one of the most resilient economies in the region but has so far been unable to upgrade its exports to higher value goods. In addition, Turkey has had a significant overall trade deficit (Atli 2015: 120). This general observation translates to the trade relationship with China: ‘In 2013, Turkey’s total trade with China was $28.3 billion, of which only $3.6 billion was Turkey’s exports, with the remaining $24.7 billion corresponding to Turkey’s imports from China’ (Atli 2015: 121). Turkish exports to China consist of raw materials and chemicals, while investment goods (plant, machinery, and equipment that enable production) and intermediate (producer) goods make up a majority of Turkish imports from
China (Republic of Turkey 2013). Other major areas of investment and collaboration include China’s contribution to infrastructure projects in Turkey, including the building of a high-speed rail linking Ankara to Istanbul. Leaders of the two countries have committed to increasing bilateral trade to $50 billion by the year 2015 (Republic of Turkey 2013).

The shortcomings of Turkey’s economy as presented above are a matter of concern for Ankara. Goods from China are penetrating the Turkish market due to cheaper Chinese labor and production costs, and arguably also due to similar production structures (Zan 2009: 74). Turkish traders have been complaining of unjust and unequal competition due to the quantity of Chinese imports. According to Shichor (2013b), ‘Each ship full of Chinese products that docks at the Turkish ports is causing the closure of a Turkish factory.’

The Turkish government has been pushing forward with bilateral trade relations and the strategic Sino-Turkish partnership, even as certain interest groups perceive this as a threat to their economic well-being. The government has attempted to allay fears by proposing several approaches to remedy the threats and competition and maximize the opportunities of the Sino-Turkish economic relationship. First, Turkey’s objective should be an increase in their total amount of trade. The second issue Turkey can address vis-à-vis its interests in China is strategic investment in the tourist industry, so as to improve the balance of payments. Attracting more Chinese visitors to Turkey could balance the relationship significantly. A third approach is for Turkey to pursue cultural and educational opportunities that would enable a better understanding of China. Turkey’s Ministry of Education supports initiatives to develop Turkish expertise in the Chinese language. Chinese is now offered in certain high schools, and Turkey has partnered with Chinese educational institutions in study abroad programs to China. Furthermore, the Chinese have been allowed and encouraged to set up Confucius institutions within Turkish educational institutions.

With regard to political relations, the military cooperation between China and Turkey must be mentioned. Turkey has participated in military exercises with China, at times against the will of NATO. For example, Turkey invited the PLA Air Force to participate in its Anatolian Eagle aerial military exercise in 2010. This event took place after the United States had withdrawn from the exercise in protest of Israel’s exclusion (Shichor 2013b). More recently, although the project failed in the end, Turkey negotiated a missile defense system deal with China that caused irritation with its NATO partners. However, the relationship between China and Turkey is not free of occasional confrontations. A good example for this can be found in China’s more or less open support of
the Assad regime in Syria. As it has been the declared policy of Turkey that Assad must leave office, the opposite views have led to some diplomatic discord (Atli 2015: 133).

**China and Israel**

Although channels of communication between the two nations reach back to the foundation of the PRC in 1949, formal diplomatic relations were established as late as 1992. The fact that it took China so long to take this step may be seen as part of its approach not to take sides in the Arab-Israeli conflict and being at good terms with all actors involved (Shichor 2015c: 144). Israel and China have extensive bilateral economic relations. In a way, Israel has had surprising economic success given its small size and lack of natural resources. This overall success shows in the relationship with China as well: Israel takes eighth place among all MENA nations trading with China and ‘in relative terms, Israel’s trade with China is ten times bigger than Egypt’s and five times greater than Turkey’s’ (Shichor 2015c: 148). Israel has also been a large market for Chinese labor export. Moreover, China has been investing heavily in Israel between 2005 and 2016, spending $7.29 billion (The American Enterprise 2016). Infrastructure projects include plans for Chinese companies to build a railroad from southern to northern Israel to provide a continental bridge to bypass the Suez Canal in case passage were blocked due to unrest in Egypt. China has had a long-term interest in Israeli technology, particularly military technologies, and the two countries have historically traded arms. Generally speaking, China’s economic relations with Israel ‘are determined less by quantity and more by quality’ (Shichor 2015c: 148). In the words of China’s ambassador to Israel (Yanping 2014), ‘For China, Israel is never a small country, but rather, a happy and innovative startup nation with many cutting-edge technologies and rich experience in governing social affairs.’

Israel is also an attractive partner for China because of its strategic geographical position as the country is located at a potential oil and gas transport route as imagined in the ‘New Silk Road Initiative.’ Situated between the Mediterranean and the Red Sea, Israel could serve as a connection for oil pipelines from Chinese-owned fields in Central Asia through Turkey and from the Ashkelon-Eilat pipeline to the Red Sea, instead of via the Suez Canal (Evyatar 2013). This is an important strategic consideration for China in its attempt to diversify oil supply and trading routes. Other possible oil transport routes include the Iraq-Haifa pipeline built by the British and the Chinese pipeline from Saudi Arabia’s Gulf coastline to its Red Sea coastline, which would then permit oil to reach the Mediterranean via the Eilat (Evyatar 2013).
Politically, one of the most prominent issues vis-à-vis Chinese-Israeli relations is China’s potential role as mediator in the Israeli-Palestinian conflict. There have been hopes that as China’s role in the region grows, it might use some of its political capital to bring about peace in the Holy Land. Unfortunately, such hopes are hard to reconcile with China’s track record in the region. As Shichor notes, the Chinese inherently prefer the Confucian middle way rather than identifying with any party. This neutrality is fuelling its continued passivity in the Middle East, in addition to the perception that the region’s ethnic and religious conflicts are perhaps unresolvable and are beyond the comprehension of another state (Shichor 2006a).

As is the case with China’s relations to any country in the region, Beijing is very cautious not to cause conflict with the United States. Israel, as arguably the closest ally of the US in the region, thus constitutes a particularly sensitive case for China. However, China has divergent interests from both the United States and Israel in terms of military cooperation; different interests and opinions concerning Iran, Saudi Arabia, and the Palestinians; and different priorities within international organizations. Consequently, future conflict in the relations between China and Israel cannot be ruled out.

**Conclusion**

China’s presence in the Middle East over the past decades has had a tremendous and ongoing impact on the Middle East in terms of the region’s social, political, and economic development. The region is vital to Chinese interests for both energy supplies and as an export market. Although some see no evidence as of now that China is abandoning its ‘business-first diplomatic strategy’ (Sun & Zoubir: 2015: 904), a neoclassical realist analysis suggests otherwise. With its growing influence in the region, China is being forced to give up its role of conflict avoidance. As Steinhilber (2006: 21) emphasizes: ‘At the moment China seems intent on being seen as everybody’s darling in the region, but it is unlikely that China will, in the long term, be able to sustain its present, successful course of neutrality and its defensive position as regards problems facing the region.’ In accordance with the expectations of neoclassical realism, it has been both systemic and domestic factors that have been driving China’s growing role. Besides a changed balance of power in the region in the aftermath of the Iraq war and the so-called Arab Spring, Beijing depends on Middle Eastern resources to fuel its economic expansion. Without being able to provide prosperity to its citizens, the Communist Party fears losing its legitimacy. That is why Middle Eastern resources feature directly into the Chinese leadership’s domestic calculus.
Having said that, however, it is not the case that the countries of the Middle East are dominating the relationship with Beijing. In fact, although the relationships today, on the surface level, seem to be one of mutual interdependence – the Middle Eastern oil economies fuel China's growth while China buys their natural resources and provides cheap consumer goods – China has been the dominant player. Due to its effective diversification policy, Beijing is not dependent on any one particular country and can play its suppliers against each other as it deems necessary. It does not surprise then that it is not just the non-oil economies of Turkey and Israel that have a trade deficit with China but most petrol states do as well. Further favouring China's clout are efforts by the United States, besides its political disengagement, to diversify its economic interests away from Middle Eastern markets, creating a void that China is eager to fill.

The Middle East, as the backyard of colonial and imperial powers for two centuries, has proven to be a challenging geopolitical arena. The US and Europe's historically imperial design in the Middle East, their strategic relationship with Israel, and the European manoeuvring regarding Turkey as a member of the European Union are elements that are pushing the Arab, Iranian, and Turkish nations to seek other non-Western global partners. Ironically, the growing dependence of Middle Eastern nations on China may eventually evolve into a scenario that resembles a form of Chinese-style imperialism. As a result, China's rise generally and its increased footprint in the Middle East in particular, confirm the realist assumption that with growing power, a nation's foreign policy, without escape, does become more assertive. Although some might wonder why China is abandoning a non-confrontational stance that was a success story by many measures, Beijing has had little choice. It is the systemic and domestic pressure which forces China to make its voice heard more prominently.

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