CHINA'S NEW FACE IN THE MIDDLE EAST AND NORTH AFRICA: FROM ECONOMIC GIANT TO POLITICAL HEAVYWEIGHT?

Abundant energy resources and a pivotal position in the Belt and Road Initiative make the Middle East and North Africa a strategic region for Beijing. As well as a major economic presence, China could be a regional power to rival the United States in this part of the world. But it remains to be seen to what extent the Asian country is ready to accept the ramifications and responsibilities of this new-found status.

Moussa Bourekba
Research Fellow, CIDOB

CIDOB REPORT
11- 2023

The signing of a landmark reconciliation agreement between Saudi Arabia and Iran in March 2023 proved that China is not just an economic giant in the region; it is also taking on an increasingly strategic regional role. While Beijing was not central to the talks themselves, its considerable economic influence over Tehran and Riyadh, coupled with its "zero enemies" policy, make the Asian power the ideal candidate to ensure the deal is implemented. This was no anecdotal diplomatic triumph either, rather it consolidated an already apparent trend in the Middle East and North Africa (MENA) region: the rise of China as a regional power.

How has China's economic presence shaped its outreach as a strategic player in the region? As we shall see, the MENA region is of vital importance to China. This applies both to energy and trade, though there are clear differences between Middle Eastern countries and those in North Africa. Against a backdrop of US decline and a desire on the part of Arab leaders to diversify their alliances, Beijing is looking to establish itself as alternative regional power. The key question is to what extent is the Asian country ready to accept the ramifications and responsibilities that this new-found status brings.

The MENA region: pivot of Asia, Africa and Europe

China has significantly increased its presence in the MENA region since the announcement of the Belt and Road Initiative (BRI) in 2013. It has two purposes in mind: safeguard the supply of natural gas and oil, and develop the trade corridor connecting the Asian country to Africa and Europe.

In terms of energy, nearly half of China's oil imports come from five countries in the Middle East: Saudi Arabia (16%), Iraq (11%), Oman (7.3%), the United Arab Emirates (UAE) (5.5%) and Kuwait (5.1%). Beijing began to strengthen its diplomatic, economic and trade ties with the Gulf states to cover its growing energy demand after becoming a net oil importer in 1993. In a region plagued by conflicts and political instability, its strategy consisted of signing long-term supply deals with certain countries (Saudi Arabia, Iran and Qatar, for instance); investing in energy projects via Chinese state enterprises, such as the China National Petroleum Company (CNPC) and Sinopec (in Iraq and UAE, for example); and building infrastructure to make it easier to transport energy to China.

In addition, China has the BRI to tighten economic bonds with its partners in the region and thus transform a relationship of reliance into one of interdependence. This strategy is reflected in *China's Arab Policy Paper*, which advocates a "1+2+3" cooperation approach in the region. Energy is at the core of this cooperation, while trade and investment along with infrastructure construction form its two "wings". The policy paper also identifies three areas in which cooperation between China and the region's countries will be crucial in the future: nuclear power, space technology and renewable energies (Ministry of Foreign Affairs of China, 2016).

The document makes no mention of any country in particular, but in practice Beijing prioritises the Middle East states because of their twofold strategic importance in terms of energy and geographical position. While China is now the main investor in the Middle East, there is less Chinese investment in North Africa, and it is channelled primarily into Algeria (nearly 50%) and Egypt (36%) (Pairault, 2023). China has also become the top trading partner to countries such as Saudi Arabia, Algeria and Iran. This economic presence is no longer limited to the sale of manufactured goods but covers sectors such as construction, energy, transport and technology.

China has gained a very visible foothold in the region through infrastructure construction after winning public contracts. Multiple Chinese companies and tens of thousands of Chinese migrant workers have taken part in the construction of prominent infrastructure such as the giant port of El

Hamdania in Algeria, the "New Cairo" project and the Mecca metro in Saudi Arabia. In Egypt, Israel, Türkiye or Yemen, state-owned enterprises such as the China Ocean Shipping Corporation (COSCO) have won contracts to operate ports. Big tech firms like Huawei have also made inroads through the supply of communications systems and cybersecurity technologies to several countries to improve the region's digital connectivity, thanks to the Digital Silk Road initiative launched in 2015.

Meanwhile, China's elites are looking to add new dimensions to China-MENA cooperation, as could be seen at the first China-Arab States Summit in December 2022. Bilateral and multilateral agreements in the China-Arab States Cooperation Forum and the Forum on China-Africa Cooperation mean that relations between the Asian giant and the Arab countries cover ever more areas. These include education, culture—with the opening of 17 Confucius Institutes in the region—and health, for example, through vaccine diplomacy during the COVID-19 pandemic. China has an edge here that allows it to consolidate this strategy: it has a very different image to that of the United States and Europe. According to the Arab Barometer in 2022, in seven of the nine surveyed countries (Algeria, Iraq, Palestine, Tunisia, Libya, Lebanon and Sudan) China was preferred over the United States. Beijing is using this advantage to sell itself as an alternative to the West in the MENA region, as we shall see in the next section.

GROWING BILATERAL AND MULTILATERAL AGREEMENTS MEAN THAT RELATIONS BETWEEN THE ASIAN GIANT AND THE ARAB COUNTRIES COVER EVER MORE AREAS THAN EVER, INCLUDING EDUCATION, CULTURE AND HEALTH, AS EXEMPLIFIED BY VACCINE DIPLOMACY DURING THE COVID-19 PANDEMIC.

Anti-imperialism, non-interference and authoritarianism: the potent "Chinese model" in the MENA region

In the conviction that Washington's pivot to Asia means a reduced US presence in the MENA countries, the region's leaders have embarked on various strategies to diversify their geopolitical alliances, bolster their leadership and reduce their dependence on Western powers. In response, China's elites present themselves as a viable alternative via a narrative that underscores the need to create a fairer, more equitable alternative world order, based on strict respect for the sovereignty of states.

While they provide no clear definition of what they mean by "new alternative order", China's leaders employ an anti-imperialist rhetoric to

decry "Western hypocrisy". This strikes a chord in countries such as Algeria, Egypt and Libya, where Beijing supported the decolonisation processes. For a large part of the Chinese elites the (neo)colonial approach that they see the Americans and their European allies take in the region stands in complete contradiction to the West's talk of universal values. In practice, China attempts to set itself apart from the Western powers by pursuing a foreign policy governed by three fundamental principles: non-intervention, mutual respect and mutually beneficial cooperation (Sun, 2017).

THE KEY QUESTION IS TO WHAT EXTENT IS THE ASIAN COUNTRY READY TO SHOULDER THIS RESPONSABILITY AS AN EMERGING REGIONAL POWER.

The principle of non-intervention, based on respect for sovereignty and non-interference in internal affairs, rests on the idea that each country must chart its own path to development. In the eyes of Beijing, improving people's living standards is paramount to achieving peace and stability. Matters relating to the rule of law, democracy or respect for human rights, then, are off the table in the conversation between China's leader and his Arab counterparts. Including them would be tantamount to interfering in domestic policy.

This approach appeals to the autocrats of the MENA region. They see China as a counterweight to the pressure from the West to promote—or at least pay lip service to—liberal values, including democracy and human rights. It also situates Beijing as a neutral player, one that is reluctant to take sides in a conflict and ready to engage in dialogue with every leader in the region, regardless of ideology or political system. What's more, moments of tension with the West present opportunities to stand out from other players. China's elites negotiated the reconstruction of Syria with Bashar al-Assad despite his culpability in the country's civil war. They strengthened ties with the Saudi crown prince, Mohamed bin Salman, in the months following the murder of Saudi journalist Jamal Khashoggi. And they consolidated relations with Iran at a time of diplomatic deadlock between Tehran, Washington and Brussels. At the same time, the principles of non-intervention and mutual respect also shield Beijing from any criticism regarding its policy on Xinjiang, Tibet and Taiwan. With the exception of Turkey, which until 2021 openly denounced Chinese repression in Xinjiang, Muslim leaders' complicit silence over the Uyghur tragedy shows they are quite at home with the principle of non-intervention.

Autocracy is another undeniable point in China's favour. For authoritarian leaders like Mohamed bin Salman and the Presidents of Egypt, Abdel

Fattah el-Sisi, or Turkey, Recep Tayyip Erdogan, Xi Jinping personifies the providential figure who has amassed an extraordinary concentration of power and raised his country to the status of major international player. In the words of China specialist Jean Pierre Cabestan, China is the incarnation of "authoritarian modernisation", resting on the idea that economic development, not democracy, is the surest path to achieving stability and, therefore, ensuring the survival of authoritarianism.

Beijing, then, uses these three advantages— longstanding identification with the Global South, contestation of a Western world order, and authoritarianism—to consolidate its presence in the MENA region. Yet as advantageous as this position is, it also comes at a significant cost: maintaining stability in a highly unstable region. The key question, therefore, is to what extent is the Asian country ready to shoulder this responsibility.

Towards regional leadership?

The debate in both China and the MENA region is whether the Asian country will adopt a more prominent role as a regional power or be happy to remain an economic giant. Becoming a regional power has considerable ramifications. First, it would mean China taking greater responsibility for the region's security architecture, countering the perception that it benefits from other countries' contributions without putting anything in itself. Second, if Beijing manages to play an effective role in resolving conflicts, it could cement its status as a rival to Washington. Following the P5+1 model for the nuclear talks with Iran, China could be perceived as a constructive presence in conflict mediation and act as a counterweight to other key players like the United States, the European Union and Russia. The MENA region, then, is a real testing ground, where Beijing must demonstrate that its approach to international relations—defined by non-intervention, non-interference and mutual respect—can truly underpin the establishment of an alternative world order.

Under the sacred principle of non-interference, Chinese diplomats have been reluctant to play a key role in conflict resolution. Traditionally, China's involvement in conflicts has been limited to three forms of governance: (1) political governance, through participation in UN peacekeeping missions in Jerusalem, Lebanon, Western Sahara and Sudan; (2) conflict governance, indirectly through the UN Security Council, with its participation in resolutions in favour of dialogue and peace in Yemen and Syria, and the struggle against Islamic State; and (3) social governance with humanitarian assistance to Iraqi, Palestinian and Syrian refugees, among others (Sun, 2017, p.360).

There have been several signs the Asian giant aspires to become a regional power since the adoption of China's Arab Policy Paper. There are at least two explanations for this. One, regional rivalries contribute to instability and conflict. This poses a direct threat to China's economic interests (energy, investments, Belt and Road Initiative and Silk Road infrastructure). A turning point in this regard came in Libya in 2011, when China lost over $18bn in investments and was forced to evacuate more than 35,000 Chinese nationals (Zoubir, 2023).

THE MENA REGION, THEN, IS A REAL TESTING GROUND, WHERE BEIJING MUST DEMONSTRATE THAT ITS APPROACH TO INTERNATIONAL RELATIONS —DEFINED BY NON-INTERVENTION, NON-INTERFERENCE AND MUTUAL RESPECT— CAN TRULY UNDERPIN THE ESTABLISHMENT OF AN ALTERNATIVE WORLD ORDER.

Second, the US decline, meanwhile, could lead to less engagement in security matters on the part of Washington, which would require China to protect its interests itself. Beijing, then, unveiled its first military base on foreign soil in 2017, in Djibouti, between the Gulf of Aden and the Suez Canal; it opened nine consulates in Saudi Arabia and Egypt; and it upped sales of Chinese weapons, drones and counterterrorist equipment to its partners in the Gulf. On the subject of defence, while China's exports are still modest compared to those of the United States, France and Russia, its presence is on the rise. In fact, during the 2022 China-Arab States Summit Xi Jinping expressed his desire to deepen cooperation between the Chinese and Arab defence ministries. This would include carrying out joint military exercises, counterterrorist cooperation and even the training of Arab military personnel by the People's Liberation Army. In addition, in line with the Global Security Initiative (2022), Beijing intends to implement a "new security concept" in the region. The idea is to foster multilateral dialogue on regional security in which the Arab countries play a primary role. On matters of dialogue and mediation, Chinese diplomats have pinpointed three areas in which they could help to ease regional tension. China believes it could be a good interlocutor between Iran and the Gulf states; between the Syrian president and his counterparts in the region; and between Israel and Palestine.

Yet its political engagement in the region remains selective and modest relative to its economic clout. According to Sun Degang and Yahia Zoubir (2018), China employs "quasi-mediation diplomacy". In other words, a strategy whose priority is not to build regional security but safeguard its own economic and strategic interests. This allows it to sidestep possible contradictions between the principles of neutrality, sovereignty and

territorial integrity—which define Beijing's foreign policy—and the need for greater involvement in conflict resolution. Hence China treads very carefully and usually plays a secondary role in conflicts that involve regional and extra-regional powers. It limits its participation to calling for more multilateralism (Libya), issuing generic statements on backing peace (Western Sahara or Yemen), trying to facilitate dialogue between the sides (Syria) and even making unrealistic proposals (Israel and Palestine). But the recent signing of the agreement to restore relations between Saudi Arabia and Iran in Beijing and statements on playing a major role in an intra-Palestinian dialogue in 2023 could be a sign of a significant change in China's readiness to take on the role of regional power.

References

Arab Barometer. Taking Arabs' Pulse: US and China Competition in MENA [Infographic]. *Arab Barometer* (January 17th, 2023). https://www.arabbarometer.org/2023/01/12352/

Pairault, Thierry. *The Chinese Presence in North Africa* [Lecture]. Barcelona: Aula mediterránea IEMed (April 20th, 2023).

Ministry of Foreign Affairs of China. "China's Arab Policy Paper". Official government website of China (January 13th, 2016). http://english.www.gov.cn/archive/publications/2016/01/13/content_281475271412746.htm

Sun, Degang. "China and the Middle East Security Governance in the New Era". *Contemporary Arab Affairs,* vol. 10, nº 3 (2017), p. 354–71.

Sun, Degang. "China's approach to the Middle East: Development before Democracy", in: Lons, Camille. *China's Great Game in the Middle East*. European Council on Foreign Relations (October 2019), p. 16–25.

Sun, Degang, and Yahia Zoubir. "China's Participation in Conflict Resolution in the Middle East and North Africa: A Case of Quasi-Mediation Diplomacy?", *Journal of Contemporary China,* vol. 27, nº 110 (2018), p. 224–243.

Zoubir, Yahia H. *Routledge Companion to China and the Middle East and North Africa*. 1st ed. London: Routledge, 2023.