



China's Strategic Shift towards the Region of the Four Seas: The Middle Kingdom Arrives in the Middle East

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Abstract

As the Arab Spring turns to Islamic Winter with the waves of anti-U.S. demonstrations across the Middle East and North Africa, China has been quietly asserting its influence while U.S. presence begins to wane. The U.S. pivot towards the Asia Pacific reinforces this after a decade of war in the Middle East. As U.S. begins to leave a vacuum, China has embarked on a trajectory of political relationships, economic initiatives, and military posture to fill it. It is fortifying its foothold in the Middle East by aligning with states that have problematic relations with the West, and are also geo-strategically placed on the littoral of the "Four Seas"—the Caspian Sea, the Black Sea, Mediterranean Sea, and the Arabian Sea/Persian Gulf. Paradoxically, while the U.S. is pivoting eastward to contain China in the Asia Pacific, the resurgent Middle Kingdom is once again pivoting westward on its new Silk Road across the Greater Middle East and threatens to outflank the citadel of American geo-strategies in this region. This paper examines how Beijing's increasing footprint is affecting U.S. interests, and ways that Washington can counterbalance troubling trends resulting from the Middle Kingdom's expansion.

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ANALYSIS

I. Introduction: China's Strategic Interests in the Middle East

Energy Security

China's interest in the Middle East is first and foremost energy-driven.¹ In 1993 when it became a net oil importer for the first time, Beijing embarked on a "go out" (*zhouchuqu*) policy to procure energy assets abroad to feed its growing economy. The legitimacy of the Chinese Communist Party (CCP) rests on continued economic growth and delivering a rising standard of living for the Chinese population. As a corollary, China is also concerned about security of energy supply lines and Sea Lines of Communication (SLOCs). Because U.S. is considered its main opponent in the international system, China is wary of U.S. naval dominance and the risk of choking China's energy supply through the Malacca Straits should hostilities break out over Taiwan. This is called the 'Malacca Dilemma', where 80 % of China's oil imports traverse this chokepoint that is vulnerable to piracy and U.S. blockade. Indeed, given increasing tension in the three flash points of the South China Sea, the Korean Peninsula and the Taiwan Straits, this concern is even more pressing for the Chinese leadership.

Market Access

The Middle East is also a strategic logistics and trade hub for China's exports and market access in Europe and Africa. China understands the importance of having strong economic foundations for military power, and sees that continued market access for their exports to fuel China's economy would build up their war chest to further underwrite military modernization.² EU is currently China's largest trading partner ahead of the U.S.³ Moreover, China also has vast interests on the African continent—both via infrastructure projects and long-term energy supply contracts. More than 1 million Chinese are in Africa, up from about 100,000 less than a decade ago, with trade at \$120 billion in 2011.⁴ In 2009, China overtook the U.S. to become Africa's No. 1 trading partner.⁵ As such, the Middle East is a strategic region that connects Europe, Africa, and Asia markets.

Thus, given the Middle East's location as a trade hub linking the three continents, a vital region for market access, and site of vast energy reserves to fuel China's continued economic growth, the CCP deems the Middle East as a high priority on its foreign policy agenda. As U.S. "pivots" toward Asia, China will naturally seek strategic depth in areas that were once dominated by the U.S. and its western allies. This is especially more so in the Arab Spring aftermath.

¹ For background overview of China's energy interests in the region, see Christina Lin, *The New Silk Road: China's Energy Strategy in the Greater Middle East*, Policy Focus #109, The Washington Institute for Near East Policy, April 2011.

² Aki Mori, "Rich Country, Strong Armed Forces? The Sources of China's Comprehensive National Power", Center for Asia Pacific Area Studies Newsletter No. 38, Academia Sinica, December 2007.

³ National Bureau of Statistics of China—Statistical Communiqué on the 2011 National Economic and Social Development—February 22, 2012, http://www.stats.gov.cn/english/newsandcomingevents/t20120222_402786587.htm; "EU replaces U.S as biggest trading partner of China (09/15/06), <http://www.china-embassy.org/eng/xw/t272113.htm>.

⁴ Jacob Zenn, "Chinese, overseas and insecure", Asia Times, September 6, 2012.



Strategic Foothold post Arab Spring

The Arab Spring caught China by surprise and Beijing has not fared well in its aftermath. Lu Shaye, Director General of Chinese Foreign Ministry's African Affairs Department, expressed China's fear that western military intervention in crucial energy markets could eventually restrict Beijing's access to oil and gas.⁶ In an interview last year regarding Libya, he expressed concerns that European-led [NATO] intervention in Libya is a thinly veiled gambit to restore waning western influence in Africa.⁷ China had to evacuate over 36,000 Chinese nationals from Libya and lost over \$20 billion in investments when the Qaddafi regime was ousted.

As such, there's an uptick of writing in the Chinese press arguing for change in the traditional non-interference stance in China's foreign policy.⁸ China is now more proactive in its Middle East diplomacy and wants to ensure its previous contracts are protected in post-Arab Spring regimes, as well as obtain a beach hold for Chinese firms while western firms evacuate from these regions or are reticent to invest due to uncertainty. China, with its state owned companies backed by its \$3.3 trillion war chest, is adept at filling in the vacuum in these "mine-fields" in order to sustain economic growth, since western businesses have virtually monopolized relatively "safe" regions elsewhere.

II. China's New Silk Road Strategy

In order to procure energy assets and ensure security of energy supply, China has adopted a two-pronged strategy:

(1) **Embarked on a New Silk Road of infrastructure projects.** China is turning historical trading routes of the ancient Silk Roads into a modern grid of overland pipelines, roads, railways for its energy supplies—called the New Silk Road. This is to circumvent naval chokepoints and hedge against risks of naval blockades or embargoes.

(2) **Increased military power projection to protect overseas interests.** China has also embarked on military (especially naval) modernization to protect overseas interests and adjusted its strategy from "coastal defense" to "far seas defense" for the PLA Navy (PLAN).

China uses a combination of economic, political and military tools to further this strategy.

Economic Tool

China is building various infrastructure projects in the Middle East and Africa. These are usually bilateral agreements with the government to bypass market forces of tender and competition, such as the recent Sino-Israeli agreement for Chinese companies to build a cargo rail line linking the Mediterranean port of Ashdod with Eilat in the Red Sea, dubbed the "Med-Red rail", or the 'steel canal' to bypass an increasingly unstable Suez Canal under the Muslim Brotherhood's control. The bilateral government agreement enables Israel to

⁵ Brendan O'Reilly, "China's winning strategy in Africa," *Asia Times Online*, August 15, 2012.

⁶ Melinda Liu, "China's Libya Connection," *The Daily Beast*, June 21, 2011.

⁷ *Ibid.*

⁸ Aron Shai, "Detachment no longer serves Chinese interests in Middle East," *Global Times*, August 2, 2012; Chris Zambelis, "A Swan Song in Sudan and Libya for China's 'Non-Interference' Principle," *China Brief*, Vol. 11, Issue 15, August 12, 2011; Jian Junbo, "Beijing's new overseas imperative," *Asia Times Online*, February 17, 2012.



bypass its Tender Law in awarding the franchise and allow it to contract with Chinese companies to help finance the project.⁹ Likewise in Egypt, China recently penned bilateral government agreements with Morsi to build railways, telecommunications and other infrastructure projects backed by Chinese concessional loans, providing funding with advantageous conditions that few other countries are willing to provide.¹⁰

In addition to bilateral agreements, China also provides competitive package deals that may include military aid in addition to concessional loans, as well as loans for oil, loans for strategic minerals, and/or loans for infrastructure projects. Western companies cannot compete because Chinese state-owned companies are backed by China's \$3.3 trillion war chest. For example, in Afghanistan in 2007, China's Metallurgical Group (M.C.C) outbid the second runner up by 70 %, offering \$3.5 billion for the Aynak copper mine estimated to go for \$2 billion.¹¹ M.C.C. offered \$1 billion more than any of its competitors from Canada, Europe, Russia, the U.S. and Kazakhstan—and the entire package included a one-stop shop to build railways, a 400-megawatt generating plant to power the copper mine and Kabul, coal mines to feed the plant's generators, as well as schools, roads and even mosques for the Afghans.¹²

As such, the Chinese have raised the bar and taken the bid beyond the scope of just an extractive operation. Even if the projects take five or ten years due to ongoing instability, at least they have a beachhead and sustaining influence. This type of development aid packages underscore how Chinese leaders, flush with cash and in control of both the government and major industries, meld strategy, business and statecraft into a seamless whole.

Political Tool

UN Security Council Vote. China also uses its influence as an UNSC member for preferential treatment and further cement its ties with host countries. In the past, China has used its veto power to shield, or water down sanctions, on countries accused of human rights violations and illicit nuclear programs such as Iran, North Korea, Sudan, Zimbabwe, and Burma. As such, this makes China an attractive political partner for authoritarian regimes in the Middle East and Africa. In fact, Syria's Assad in 2004 visited Beijing to seek economic cooperation based on the Chinese model of development—maintaining authoritarian control whilst experiencing economic growth. This is called the Beijing Consensus, which challenges the Washington Consensus stipulating that only political liberalization will lead to economic growth.

Strengthen Coalitions of Non-Western Countries. China also tries to further its influence via coalitions of non-western countries such as BRICS or the NAM (Non-Aligned Movement), which recently convened a summit in Tehran and ended Iran's current isolation, with 80 countries participating at the level of minister or higher and 50 sending their heads of government.¹³ UN Secretary General Ban Ki-Moon also attended, as well as China—

⁹ Rhonda Spivak, "Bypassing the Suez Canal: Israel to have China Construct the Eilat Railway", *Israel Behind The News*, July 31, 2012; "Israeli 'steel canal' to bypass Egypt's Suez Canal", *Middle East Online*, January 30, 2012

¹⁰ Farah Halime, "Chinese Firms Brave Uncertainty in Egypt to Gain a Foothold in Middle East", *The New York Times*, August 29, 2012; Brendan O'Reilly, "Egypt joins China club", *Asia Times Online*, August 31, 2012; M K Bhadrakumar, "Egypt thumbs the nose at US", *Asia Times Online*, August 21, 2012; Erin Cunningham, "The United States has a New Rival for Influence in Egypt", *Global Post*, September 6, 2012.

¹¹ Nicklas Norling, "The Emerging China-Afghanistan Relationship", *CACI Analyst*, May 14, 2008.

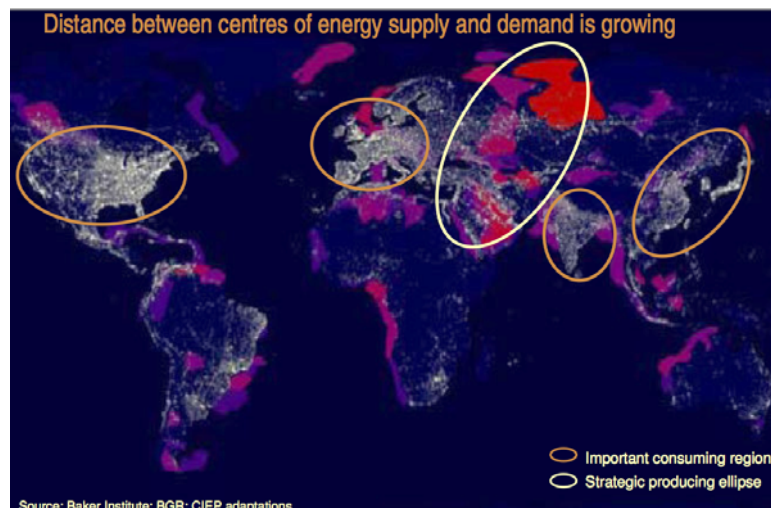
¹² Michael Wines, "China Willing to Spend Big on Afghan Commerce", *The New York Times*, December 30, 2009.

¹³ "Over 80 Foreign Ministers, High-Ranking Officials to Attend NAM Summit—Spokesman", *Turkish Weekly*, August 28, 2012; Abdus-Sattar Ghazali, "All roads lead to Tehran: 16th Non-Aligned Movement summit ends Iran's isolation", *CASMI*, September 4, 2012.

an observer of NAM since 1992, and Russia that was invited as Iran's special guest.¹⁴ With 120 member countries and two-thirds of UN states dual-hatted as full NAM members, China naturally used the NAM summit platform to push for enhancing UN's role and promote cooperation within NAM countries.¹⁵ Egypt's Morsi handed the NAM chairmanship to Iran for the next three years, so China will use NAM and its close ally Iran to further its agenda to counter-balance the U.S. and western influence. In fact, China has already enjoyed great success the past decade in using the Shanghai-Cooperation Organization (SCO) for its power projection and to counter U.S. and NATO influences in Central Eurasia.

Align with Key Littoral States of the Four Seas Region. Moreover, China is aligning with key countries that have problematic relations with the U.S. and the West—Iran, Syria and Turkey—that are also of geostrategic significance and lie on the littoral of the four seas: Caspian, Black, Mediterranean, and Arabian/Persian Gulf. This energy-rich "Region of the Four Seas" lies in the "strategic energy ellipse" which has over 70 % of the world's proven energy reserves.¹⁶

Map 1: Strategic Energy Ellipse



Source: Clingendael International Energy Programme, 3-4 May 2010

Syria's Bashar al Assad first promoted the concept of a "Four Seas Strategy" to transform his country into a trade hub, and the Ankara-Damascus-Tehran triangle would become the nucleus of an approach that aims to include Iraq and the Caucasus in a geographical continuum linking the Four Seas. Assad peddled the idea to Turkey's President Abdullah Gul in 2009 that was approved by Iran's Supreme Leader Ali Khamenei the same

¹⁴ Mahdi Darius Nazemroava, "The NAM Summit, Iran, and Syria: A Coup against the West?" *Global Research*, August 25, 2012.

¹⁵ "China urges to enhance UN's role, promote cooperation at NAM summit", Xinhua, September 1, 2012; "NAM summit in Tehran: A platform for anti-Americanism?" http://www.china.org.cn/opinion/2012-09/03/content_26413096.htm; "Assistant Foreign Minister Ma Zhaoxu Attends 15th Non-Aligned Movement Summit", Ministry of Foreign Affairs of the People's Republic of China, September 1, 2012, <http://www.fmprc.gov.cn/eng/zxxx/t966775.htm#>.

¹⁶ Geoffrey Kemp and Robert E. Harkavy, *Strategic Geography and the Challenging Middle East* (Washington, D.C.: Carnegie Endowment and Brookings Institution Press, 1997); Christof van Agt, "The Importance of Eurasia in the Global Energy Security Agenda", Clingendael International Energy Programme, 3-4 May 2010.



year.¹⁷ He underscored that “Once the economic space between Syria, Turkey, Iraq and Iran [becomes] integrated, we would link the Mediterranean, Caspian, Black Sea, and the [Persian] Gulf.... We aren’t just important in the Middle East.... Once we link these four seas, we become the compulsory intersection of the whole world in investment, transport and more.”¹⁸ During a December 2009 speech before the Syrian parliament, Foreign Minister Walid Mouallem also stated, “These strategic ties [between Syria and Turkey] are to be a nucleus that will soon be augmented by Lebanon, Jordan and Iraq.”¹⁹ Syria could then act as an access point for EU countries seeking to enter markets in the Arab world and Western Asia.

The Four Seas concept seems to be taken from the European Commission’s strategy of enlargement via the EU 4 Seas project, of integrating regions in the Baltic Sea, Mediterranean Sea, Black Sea and Caspian Sea.²⁰ However, given Turkey’s impasse in joining the EU, and Syria’s delay in its Association Agreement, it appears they both looked east and replaced the Baltic/Northern Europe focus with a shift to Iran’s Persian Gulf/Arabian Sea. Although at present there is division within the Ankara-Damascus-Tehran nucleus over the Syrian crisis, China has nonetheless maintained strong diplomatic ties with all three, wielding its UNSC power to shield Iran’s nuclear program, water down sanctions, protect Syria’s Assad regime, and upgrade military ties/strategic partnership with NATO member Turkey.²¹

While the U.S. and EU may not value these three countries, China sees them as strategic assets to project China’s influence and counterbalance the U.S. China has traditionally been a strong ally of Iran, due to its geo-strategic location in the Persian Gulf and anti-American sentiments. The Chinese view that U.S. currently controls the west bank of oil rich Persian Gulf via its pro-American proxies (e.g. Saudi Arabia and smaller Gulf states), rendering the Gulf an ‘internal sea’ for the U.S. However, if China and Russia expand relations with Iran, they could maintain a “minimum balance” to thwart possible U.S. naval embargoes against other countries. If the United States and China should ever have a military clash over Taiwan, Washington would not shut off China’s Gulf oil supplies since China, Russia, and Iran control the Gulf’s “east bank”.²²

¹⁷ Tony Badran, “A Syria in Minor Key,” Foundation for Defense of Democracies, June 29, 2010; Yoav Stern, “Syria’s Four Seas Strategy,” Syria Comment, October 22, 2009, <http://www.joshualandis.com/blog/?p=4252>; “Syria Aims to Become an Economic Hub among Four Seas,” Weekly Middle East Reporter, August 1, 2009, <http://www.thefreelibrary.com/Syria+aims+to+become+an+economic+hub+among+four+seas.-+a0207746440>; “Al-Moallem: Syria and Turkey Complete Each Other,” Syrian Arab News Agency, October 13, 2009, <http://www.sana.sy/eng/21/2009/10/13/249479.htm>; author conversation with Andrew Tabler (Next Generation fellow, Washington Institute for Near East Policy), August 2010; Christina Lin, “The Caspian Sea: China’s Silk Road Strategy converges with Damascus,” *China Brief*, Vol. 10, Issue 17, August 19, 2010; author email correspondence with Yasar Yakis (chairman, EU Committee, Turkish parliament; former foreign minister of Turkey), August 23, 2010.

¹⁸ Badran, “A Syria in Minor Key”.

¹⁹ N. Mozes, “Syria Regains Pivotal Regional, International Role: The Triumph of the Course of Resistance,” MEMRI Report no. 583 (January 29, 2010), p. 5.; Sarah Birke, “Iraq Election: Syria Positions Itself as Trade Gateway to Europe for New Government,” Christian Science Monitor, March 26, 2010, <http://www.csmonitor.com/World/Middle-East/2010/0326/Iraq-election-Syria-positions-itself-as-trade-gateway-to-Europe-for-new-government>; “Syria Aims to Become an Economic Hub among Four Seas,” Weekly Middle East Reporter, August 1, 2009.

²⁰ See “The 4 Seas” page on the EU 4 Seas website, <http://www.eu4seas.eu>. See also reports from the international seminar on “Energy and Transport Co-operation in Europe’s Four Sea Basins,” January 21-22, 2010, Ankara, Turkey.

²¹ Christina Lin, “China’s Persian Gulf Strategy: Israel and a Nuclearizing Iran 2009,” *China Brief*, Vol 9, Issue 21, October 22, 2009; Lin, “China, Iran, and North Korea: A Triangular Strategic Alliance,” *Middle East Review of International Affairs*, April 2010; Lin, “China and the North Korea-Iran Nuclear Axis,” *Asian Conflict Report*, July/August 2010; “Russia and China vow to protect Syria from becoming another Libya,” *Pravda*, June 25, 2012;

²² Tang Shiping, “Lixiang anquan huanjing yu xin shiji zhongguo da zhuanlue” [ideal security environment and China’s grand strategy in the new century], *zhanlue yu guanli* (Strategy and Management), no 6, (2000), 45-46; Lin, Yueh-Chyn, *International Relations in the Gulf Region after the Cold War* (Beijing: Social Sciences Academic Press, 2002). This scenario would provide “insurance against a remote contingency” (fang wanyi de baoxian), Tang Shiping, *Ibid*; Christina Y. Lin, “Militarisation of China’s Energy Security Policy: Defence Cooperation and



Likewise, China values Syria as the traditional terminus node of the ancient Silk Road by virtue of its geographic location, which China calls “*ning jiu li*” (cohesive force).²³ Prior to the civil war in Syria, China was already using the country as a trans-shipment hub onto Iraq, Lebanon and the wider region via China City, an area in the Adra Free Zone industrial park northeast of Damascus and located on the Damascus-Baghdad highway.²⁴ Moreover, China holds large equities in Syria's oil industry, with China National Petroleum Corporation (CNPC) holding minority stakes in two of Syria's largest petroleum companies, and having signed multi-billion dollar deals to assist in the exploration and development of Syria's oil producing regions.²⁵ After suffering its great loss in Libya, it is no wonder China would be more assertive in protecting its economic interests and contracts with the Assad regime in Syria.

As for Turkey, a geographic bridge between Europe and Asia and an emerging regional power, China sees Turkey as an important node on its New Silk Road and more importantly, a potential source of advanced NATO technologies. In October 2010, China and Turkey elevated their relationship to one of strategic partnership and signed agreements to build a silk railway, increase bilateral trade, and upgrade military relations.²⁶ Turkey replaced Israel with China in its annual Anatolian Eagle air combat exercise, cooperating with Iran and Pakistan to provide airspace and refueling for Chinese warplanes.²⁷ With EU membership stalling, Turkey is looking east to China and sees it can play a mediating role between China's SCO and NATO.²⁸ In fact, in July Erdogan asked for Turkey's admittance as a full SCO member, having already joined as a Dialogue Partner in 2011.²⁹ If Turkey becomes a full member of a Sino-Russian led security organization with anti-western sentiments, without giving up its NATO credentials, this could result in a conflict of interest in compromising NATO's solidarity and effectiveness. In fact, when Turkey considered buying Chinese and Russian air defense systems that would compromise NATO intelligence systems, NATO officials swiftly warned that if this occurs, Ankara would operate them without NATO intelligence on incoming missiles.³⁰

WMD Proliferation Along its String of Pearls in the Indian Ocean”, *Institut für Strategie- Politik- Sicherheits- und Wirtschaftsberatung (ISPSW)*, Berlin, Germany, June 11, 2008.

²³ Ben Simpfendorfer, “China and Syria Restart an Old Relationship,” *Syria Report*, May 11, 2009; Simpfendorfer, *The New Silk Road: How a Rising Arab World Is Turning Away from the West and Rediscovering China* (New York: Palgrave Macmillan, 2009); Christina Lin, “Syria in China's New Silk Road Strategy,” *China Brief* 10, no. 8 (April 16, 2010), http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=36264&tx_ttnews%5BbackPid%5D=25&cHash=2539572719.

²⁴ Chris Zambelis, “China Tests Its Mettle in Syria,” *Asia Times*, November 6, 2008, <http://www.atimes.com/atimes/China/JK06Ad02.html>; Ben Simpfendorfer, “Syria and the ‘China Growth Model,’” *Forbes*, May 21, 2009, http://www.forbes.com/fdc/welcome_mjx.shtml; Juan Jarrah, “Rebirth of the Silk Road and Un-flattening of the World,” *Forward Magazine*, January 26, 2009; Shahid Qureshi, “Syria and ‘Chinese Silk’ Road,” *London Post*, October 29, 2009, <http://www.thelondonpost.net/tm02dec09.html>; Phil Sands, “China's Influence in Syria Goes Beyond Trade Boom,” *The National*, August 26, 2008, <http://www.thenational.ae/news/worldwide/asia-pacific/chinas-influence-in-syria-goes-beyond-trade-boom>.

²⁵ Joel Wuthnow, “Can China Help Save Syria?” *The Diplomat*, June 2, 2012; “Why China would intervene in Syria”, *The National Interest*, July 16, 2012.

²⁶ David Schenker and Christina Lin, “China's Rise in the Middle East”, *Los Angeles Times*, November 16, 2010.

²⁷ B. Raman, “Chinese Air Force Planes Refuel in Pakistan, Iran on Way to Turkey”, *South Asia Analysis Group Paper* no. 4098, September 15, 2010; “Growing Ties between Turkey, China, Iran worry Israel and U.S.”, *Ha'aretz*, October 7, 2010; “Turkey conducted war games with China, news report says”, *Hurriyet Daily News*, September 30, 2010; “Why China training with NATO ally matters”. *Rediff*, October 16, 2010; Jorge Benetiz, “US questions Turkey's military exercise with China”, *Atlantic Council*, October 1, 2010.

²⁸ “M K Bhadrakumar, “Syria: Regime Change and Smart Power: The rise and fall of Turkey's Erdogan”, *Asia Times Online*, July 24, 2012.

²⁹ Polina Chernitsa, “Turkey opts for SCO”, *Voice of Russia*, July 27, 2012; “Erdogan signals Shanghai organization an alternative to EU”, *Today's Zaman*, July 26, 2012.

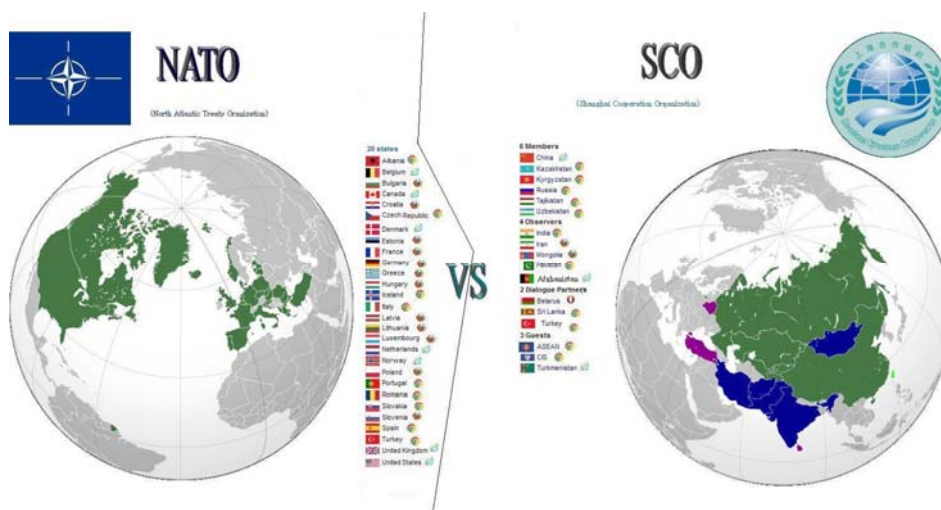
³⁰ Umit Enginsoy and Burak Ege Bekdil, “NATO warns Turkey against Chinese, Russian Systems”, *Defense News*, August 2, 2011; Michael Rubin, “Will Turkey Expose NATO Secrets to China?” *Commentary*, July 18, 2012.

Map 2: The Shanghai Cooperation Organization (SCO)



Source: Wikipedia

Map 3: NATO and SCO



Source: Wikipedia



Military Tool

Military Rail Transport. China has also embarked on rapid military modernization and enhancing its long-range power projection capabilities. It is building railway networks connecting Central Asia, the Middle East, and Europe. Beijing is particularly interested in high-speed rail that plays a key military transport and logistics role in China's efforts to project power across Eurasia. The military has already used the Shanghai-Nanjing express railway to transport troops at speeds up to 350 km per hour, touting the practice of using these dual-use (both commercial and military applications) strategic railways as an ideal way to project personnel and light equipment in "military operations other than war" (MOOTW) to protect its interests abroad.³¹ People's Liberation Army (PLA)'s General Logistics Department (GLD) is actively participating in the design and planning of China's high-speed railway, with military requirements becoming part of the development process. Indeed, the GLD is looking to implement rapid mobilization and deployment of troops via high-speed rails once they are completed across Eurasia.³²

Dubbed the "Iron Silk Road", in November 2010, China signed agreements with Iran to connect railways through Central Asia, as well as onto Turkey and Europe.³³ It recently inked deals to build Israel's Eilat's high-speed railway linking the ports of Ashdod and Eilat, with eventual connections to Jordan's Aqaba Port.³⁴ In its recent meeting with Egypt's Morsi, China also inked deals to build high-speed railway linking Cairo, Alexandria, Luxor and Hurghada³⁵, with a longer-term view to eventually connect Africa with the Middle East via Egypt.

³¹ "PLA Uses Shanghai-Nanjing Express Railway to Transport Troops for First Time," China Army, November 19, 2010, http://eng.mod.gov.cn/DefenseNews/2010-11/19/content_4209055.htm. 128. "China High Speed Rail to Meet Military Requirements," Xinhua, December 7, 2010, <http://www.zimbio.com/Xi+Jinping/articles/hM30UV5P3wB/China+Update+December+9+2010>; "China Military Railway Transport," Pakistan Defence, June 22, 2010, <http://www.defence.pk/forums/china-defence/62935-china-s-military-railway-transport.html>. 130. Jiang JiuHong and Luo Cheng, "PLA Air Force Important Combat Readiness Materials Transported to Tibet by Railway," PLA Daily, August 3, 2010, <http://www.defence.pk/forums/china-defence/68104-pla-air-force-important-combat-readiness-materials-transported-tibet-railway.html>.

³² "China High Speed Rail to Meet Military Requirements," Xinhua, December 7, 2010, <http://www.zimbio.com/Xi+Jinping/articles/hM30UV5P3wB/China+Update+December+9+2010>. "China Military Railway Transport," Pakistan Defence, June 22, 2010, <http://www.defence.pk/forums/china-defence/62935-china-s-military-railway-transport.html>.

³³ "China Railway Will Be through the Persian Gulf," Global Military, November 20, 2010, <http://www.global-military.com/china-railway-will-be-through-the-persian-gulf.html>; "A New 'Orient Express' between Istanbul and Beijing," Asia News, October 28, 2010, <http://www.asianews.it/news-en/A-new-'Orient-Express'-between-Istanbul-and-Beijing-19844.html>.

³⁴ Rhonda Spivak, "Bypassing the Suez Canal: Israel to have China Construct the Eilat Railway," *Israel Behind the News*, July 31, 2012.

³⁵ Doaa Naguib, "Egypt Asks China to Build High-Speed Railway," *Amwal al ghad*, August 29, 2012.

Map 4: Railway from China to the Middle East

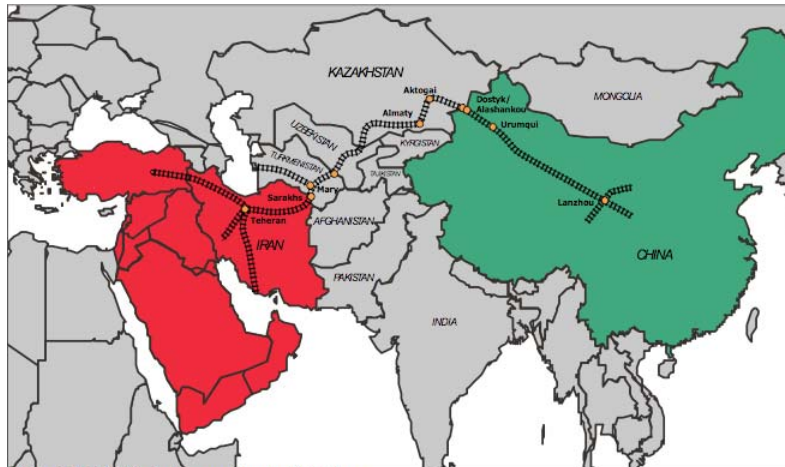


Figure 9-10: Middle East connections to NW China

Source: "The railways of the Middle East, Visions 2025" UIC strategy, Feb 2008, International Union of Railways.

As China's overseas interests expand in tandem with China's rise in power, the Middle Kingdom will become more assertive in using its military to protect its burgeoning assets abroad.

Figure 1: Chinese guards at the Ahdab oil field, Iraq



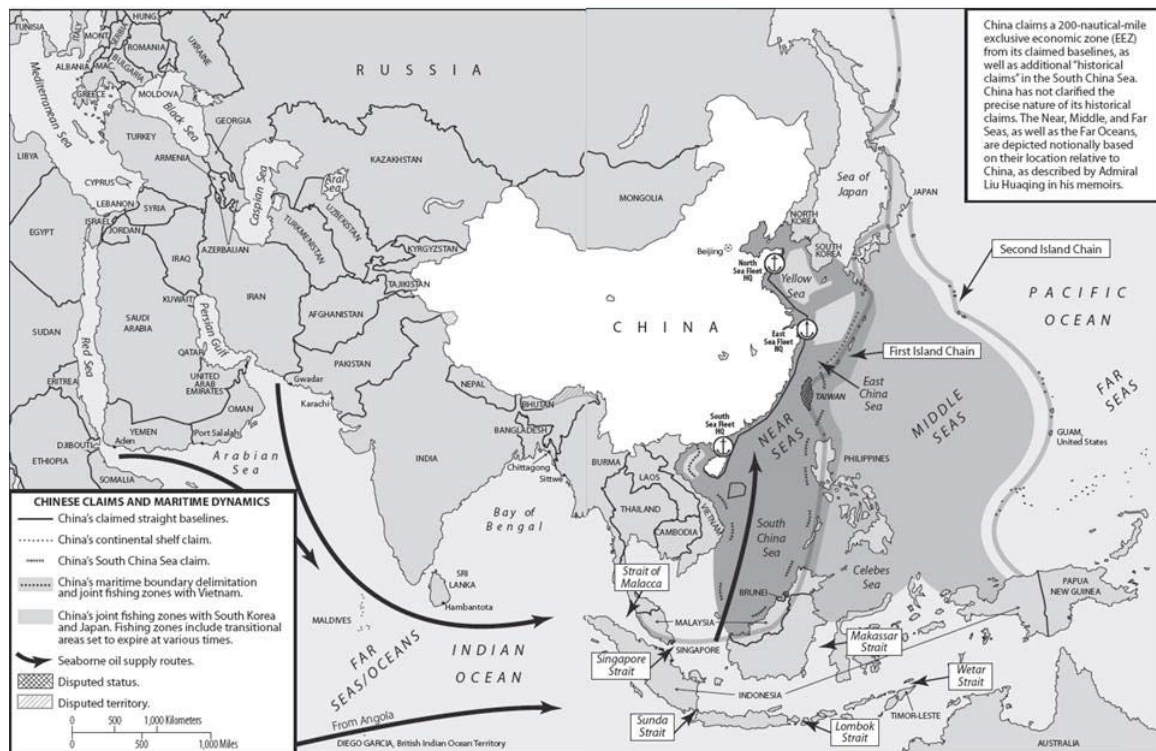
Source: Thaier Al-Sudan/Reuters; "Red Star Over Iraq", *Business Week*, January 21, 2010

Naval Power Projection in "Far Sea Defense". The Chinese military has also changed its strategy from "coastal defense" to "far sea defense", seeking to project naval power well beyond its coast, from the oil ports of the Middle East to the shipping lanes of the Pacific. Admiral Liu Huaqing, who modernized China's Navy as its

Commander from 1982 - 1988, defined the Sino-centric concept of Near Sea, as well as Middle and Far Seas as depicted in the map below.³⁶

Map 5: Concept of "Far Seas"

"Near Seas" vs. "Far Seas"



In an interview with *Xinhua* in 2010, Rear Adm. Zhang Huachen, deputy commander of the East Sea Fleet, said "with our naval strategy changing now, we are going from coastal defense to far sea defense." He added, "with the expansion of the country's economic interests, the navy wants to better protect the country's transportation routes and the safety of our major sea lanes."³⁷ Yin Zhuo, a retired PLAN rear admiral, stated in an interview with *People's Daily Online* that the PLAN is tasked with two primary missions: preservation of China's maritime security (including territorial integrity) and the protection of China's burgeoning and far-flung maritime economic interests.³⁸

³⁶ Liu Huaqing, [The Memoirs of Liu Huaqing] (Beijing: People's Liberation Army, 2004); Nan Li, "The Evolution of China's Naval Strategy and Capabilities: From 'New Coast' and 'Near Seas' to 'Far Seas'," *Asian Security*, 5.4 (June 2009): 144-69.

³⁷ Edward Wong, "Chinese Military Seeks to Extend Its Naval Power," *The New York Times*, April 23, 2010.

³⁸ Joseph Y Lin, "China focuses on 'far sea defense,'" *Asia Times Online*, July 9, 2010.



Indeed Chinese naval vessels have embarked on active diplomacy in the far seas, with regular port calls and “show of flags” in the Gulf of Aden where it conducts anti-piracy missions, as well as in the Mediterranean Sea and the Black Sea—where China has acquired various seaports in the littorals by helping to bail out the Euro-zone. Most recently, in July and August, Chinese warships passed through the Suez Canal and entered the Mediterranean Sea at the same time Russia dispatched its naval flotilla to Tartus in Syria. A website called *Turkish Navy* tracked all three ships—the *Qingdao* destroyer, *Yantai* frigate and *Weishan Hu* supply ship. However, *Weishan Hu* disappeared for a couple of days—with some speculating it was possibly replenishing Russian warships in support of the Assad regime.³⁹ *Weishan Hu* can carry 10,500 tons of fuel, 250 tons of water, and 680 tons of ammunition.⁴⁰

Figure 2: Chinese warships in the Mediterranean and Black Sea

	Qingdao	Yantai	Weishan Hu
23 July	Suez	Suez	Suez
29 July	Dardanelles	Dardanelles	– ? –
30 July	Bosphorus	Bosphorus	– ? –
31 July	Sevastopol, Ukraine	Constanta, Romania	– ? –
4 August	Underway	Underway	Dardanelles
5 August	Istanbul, Turkey	Varna, Bulgaria	Istanbul, Turkey
16 August	Haifa, Israel	Haifa, Israel	Haifa, Israel

Source: *Turkish Navy*, August 6, 2012; Atlantic Council, “Chinese warships dock in Israel for first time”, August 20, 2012

Naval vessels can be at sea and resupply one another undetected. Knowing Russian ships were also active in the Gulf of Aden, some posit that there is a possibility China and Russia were conducting seaborne supply swaps there, with Russia later transporting supplies to Tartus, Syria.⁴¹ This would not be the first time China claims neutrality but covertly helps a dictator with whom it has lucrative contracts. In September 2011 it was revealed that China’s state-controlled arms manufacturers offered to sell \$200 million of arms to Gaddafi via Algeria and South Africa—including rocket launchers, anti-tank missiles, and QW-18, a surface-to-air missile similar to a U.S. Stinger capable of bringing down NATO aircrafts—in violation of UN arms embargo which China supported.⁴² Yet others observe the significance of Chinese navy’s “show of flags” as a deterrence against western military intervention in Syria. Writing in *The Diplomat*, J. Michael Cole argued that “for the first time since China’s re-emergence as a power to be reckoned with, Western powers are being confronted with sce-

³⁹ Roi Kais, “Chinese destroyer enters Mediterranean via Suez”, *Ynet News*, July 29, 2012; Jorge Benitez, “Why is Chinese Navy in the Mediterranean?”, Atlantic Council, July 30, 2012; “Are the Chinese heading to Syria as well?” *Stand up America*, July 31, 2012; “Chinese Naval Boats Enter Black Sea for First Time”, *Radio Free Europe/Radio Liberty*, July 31, 2012; Jason Ditz, “Chinese Warship Crosses Suez, Possibly Bound for Syria”, *Anti-War*, July 29, 2012.

⁴⁰ “PLA debates China’s role in Somalia mission”, *China Daily*, December 12, 2008, in World Affairs Board, <http://www.worldaffairsboard.com>; <http://turkishnavy.net/2012/08/06/chinese-puzzle-solved/>

⁴¹ “Are the Chinese heading to Syria as well”, July 31, 2012, <http://www.free-lebanon.net/syria/are-the-chinese-heading-to-syria-as-well/>.

⁴² Graeme Smith, “China offered Gadhafi huge stockpiles of arms: Libyan memos”, *The Globe and Mail*, September 2, 2011; Anne Barnard, “China sought to Sell Arms to Gaddafi, Documents Suggest”, *The New York Times*, September 4, 2011; Kevin Jon Heller, “Is There a Regime China Won’t Support?” *Opinion Juris*, September 5, 2011.



narios involving the risks of clashes with Chinese military forces outside the Asian giant's backyard."⁴³ He further argued that there may be a possibility whereby the People's Liberation Army Navy (PLAN) may not directly take part in hostilities, but PLAN or Russian ships could attempt to create a line at sea to prevent Western ships from approaching Syria to launch military operations against it, or to prevent an embargo.

In the Chinese Communist controlled mouthpiece *Global Times*, a recent article asserts that the Mediterranean needs to become accustomed to China's naval presence.⁴⁴ By showing its flag west of the Suez, China is signaling its interest as a trading nation in accessing sea-lanes such as the Strait of Hormuz, the Bosphorus, and Gibraltar.⁴⁵ In another paper from National University of Singapore, Geoff Wade, argued that China's maritime strategy is intended to control ports and shipping lanes, of political and economic control across space rather than territorial controls.⁴⁶ By controlling economic lifelines of nodal points, networks, ports and trade routes, China can thus control trade and wield great power. Wade coins this "**proto-maritime colonialism**" whereby a dominant maritime power takes control of main port polities along major East-West maritime trade networks as well as the seas in between, thus gaining economic and political benefits. This is less costly than establishing forward operating bases for the military, which smacks of occupation and colonialism in some host countries. As such, China has steadily acquired controlling stakes or equities in the main seaports of container traffic along the rimland of the Eurasia continent, which has come to be known as China's "string of pearls" naval strategy.

Around the Mediterranean, China is acquiring stakes in shipping and logistics companies and is expanding ports in Greece (Piraeus Port), France (Port of Marseille Fosx 4XL container terminal), Spain (El Prat pier in Barcelona Port), as well as rail, air terminals, and fiber optic networks in Portugal (Huawei and Portugal Telecom) and Italy (air terminal north of Rome). In the Eastern Mediterranean, China Harbor Engineering Company is expanding Lebanon's Tripoli port. In Israel, it is cooperating with Ashdod port authorities and building a light rail from Tel Aviv to Eilat, and connecting Eilat port to Ashdod and Haifa ports. In Egypt China's shipping company COSCO has 20 %-share in Denmark's Maersk's container port in Port Said, while it attempts to recoup and renegotiate infrastructure contracts elsewhere in North Africa post-Arab Spring. Across the Suez Canal in the Red Sea, China is already enlarging Port Sudan, which gives China the ability to deliver maritime shipments (whether civilian or military) to Sudan, East Africa and Horn of Africa region. Recently, near the Persian Gulf, China has just taken operational control of Pakistan's Gwadar Port from Singapore's PSA International, which it also built.⁴⁷

⁴³ J Michael Cole, "China's Navy in the Mediterranean?", *The Diplomat*, July 30., 2012.

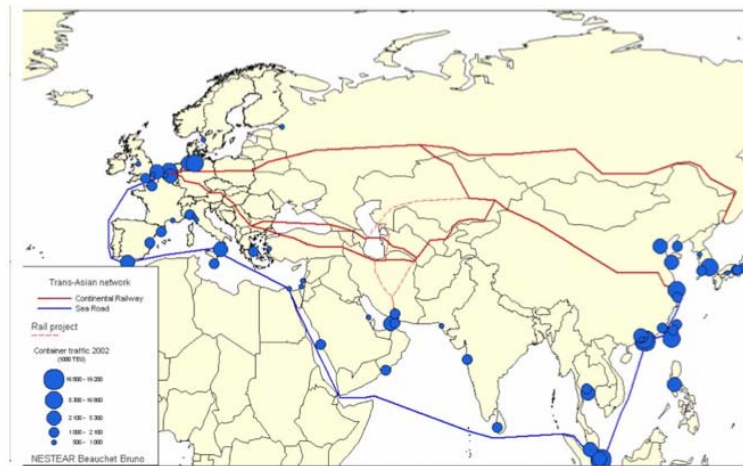
⁴⁴ Jonathan Holslag, "Naval visits accustom Mediterranean to new role," *Global Times*, August 1, 2012.

⁴⁵ *Ibid.*

⁴⁶ Geoff Wade, "The ZHeng He Voyages: A Reassessment", Asia Research Institute Working Paper Series, No. 21, National University of Singapore, October 2004, p.18.

⁴⁷ Nasos Mihalakas, "Part II: Chinese Investments in Europe—A Year in Review", *Foreign Policy*, February 11, 2011; Peter Leach, "Hutchison Ports to Develop Fos Terminal", *Journal of Commerce Online*, March 19, 2010; "Chinese group Hutchison Whampoa increases participation in TerCat", *Sinalunya*, January 24, 2011; Silvia Marchetti, "Chinese investments in Italy increases", *Xinhua*, November 5, 2009; "Greece to become China's Mediterranean gateway", *Network 54*, August 1, 2006; "Barcelona hopes the Chinese landed", *Economics Newspaper*, July 7, 2011; Ofer Petersburg, "Chinese envoy: We admire Israel", *Ynet News*, September 28, 2010; "Ashdod port handled TEU 84,611 from China in 2008", "Tripoli Port set to Compete for Eastern Mediterranean Shipping Traffic", *Al-Monitor*, February 7, 2012; Ben Leung, "China's Egypt, Africa Investments", *Bikyamasr*, August 10, 2010. *Port2port News Service*; Daniel Sayani, "Red China increases investments and influence in Sudan", *The New American*, January 31, 2011; "Sino-Sudanese partnership attains many gains in Red Sea State", *Forum of China and Africa Cooperation*, January 28, 2011, <http://www.focac.org>; "China confirms takeover of Gwadar port: Report", *The Express Tribune*, September 4, 2012.

Map 6: Main Maritime Ports of Container Traffic



Source: NESTEAR, reproduced from "Policy Actions for Developing Efficient Inland Transport Links between Asia and Europe", paper presented by Alain Rathery, Deputy General Secretary, International Transport Forum, in *1st Black Sea & 4th Silk Road Conference*, Istanbul, Turkey, 14-16 May 2007.

However, China currently still faces obstacles in challenging the U.S. military and realizing its goal as a dominant maritime power. The Mediterranean is still dominated by NATO and U.S. 6th Fleet, while the Gulf of Aden and Persian Gulf by U.S. 5th Fleet. In the near term China's navy will show its presence as a new kid on the block in the far seas, but will be unable to challenge U.S. naval pre-eminence. However, over the longer term, as U.S. and NATO cut back on defense budget due to economic woes while China continues to increase its spending and military modernization, U.S. naval position may begin to erode as China becomes a formidable competitor for influence in power projection in this region.

III. China's New Proactive Diplomacy in the Middle East

On August 14, 2012, Under Secretary of State for Political Affairs Wendy Sherman and Chinese Vice Foreign Minister Zhai Jun launched the inaugural round of U.S.-China Middle East Dialogue in Beijing, in light of China's increasing activities and assertiveness in the Middle East.⁴⁸ China's shift in policy away from its traditional 'non-intervention' stance towards this region is driven by a combination of domestic, regional and international factors.

⁴⁸ Office of the Spokesperson, U.S. Department of State, "U.S.-China Middle East Dialogue" Media Note, August 14, 2012; "U.S. China Discuss Pressing Issues at Middle East Dialogue", *RTTNews*, August 14, 2012.



Domestic Driver: Shift in China's Perception of the Middle East

As stated earlier, the Chinese Communist Party (CCP) regime survival is tied to continual economic growth and delivering improving living standards to the Chinese people. Its 'go out' strategy to acquire energy assets abroad since 1993 has driven China to have a more assertive and interventionist stance in its approach to the Middle East. As its overseas interests continue to expand with China's rise, the Chinese government found that it can no longer strictly adhere to its 'non-intervention' stance, but needs to be more proactive diplomatically, politically and militarily to protect its interests.

Since the 2003 U.S. intervention in Iraq, China has become more active in prosecuting a "counter-encirclement strategy" against perceived U.S. hegemony in the Middle East.⁴⁹ Beijing fears that Washington's Middle East strategy entails advancing the encirclement of China and creating a norm of regime change against undemocratic states, which implicitly challenges CCP legitimacy at home.⁵⁰ Then Chinese Foreign Minister Qian Qichen blasted U.S. foreign policy in a *China Daily* article that the U.S. has "put forward its 'Big Middle East' reform program...U.S. case in Iraq has caused the Muslim world and Arab countries to believe that the super power already regards them as targets for its ambitious 'democratic reform program.'"⁵¹ According to a 2004 interview with Ambassador Wu Jianmin, a rising star in China's diplomatic circle, Chinese foreign policy was transforming from "Responsive diplomacy" (*Fanying shi waijiao*) to "Proactive diplomacy" (*Zhudong shi waijiao*).⁵² Jin Liangxiang, research fellow at Shanghai Institute for International Studies, in 2005 argued that China is going through a new activism and that "the age of Chinese passivity in the Middle East is over."⁵³ He declared, "If U.S. strategic calculations in the Middle East do not take Chinese interests into account, then they will not reflect reality."⁵⁴ That same year, President Hu Jintao gave a message to the People's Liberation Army (PLA) on the "New Historic Missions" strategy, which underscores the PLA's role in safeguarding national interest overseas (*Xin Shiji Xin jieduan wojun lishi shiming*).⁵⁵

There is also a rising tide of nationalism domestically, with China's own historic narrative as a victim in the past "century of humiliation" and that the time has come to reassert the Middle Kingdom's proper place in the world.⁵⁶ This plays well in enhancing CCP's standing for domestic consumption, especially in view of the upcoming leadership change in the 18th Party Congress in October, which will set the course for China for the next 8 years until 2020. Xi Jinping, the next president to replace Hu Jintao, is a princeling and a Maoist, placing strong focus on the PLA's role in foreign policy, whereas Hu was a Dengist who was more focused on economic devel-

⁴⁹ Dan Blumenthal, "Providing Arms: China and the Middle East," *Middle East Quarterly*, Spring 2005, pp.11-19.

⁵⁰ Christina Lin, "Syria in China's New Silk Road Strategy", *China Brief*, Vol 10, Issue 8, April 16, 2010, p.3.

⁵¹ *China Daily*, November 1, 2004.

⁵² *China Youth Daily*, February 18, 2004; cited by Jin Liangxiang, Shanghai Institute for International Studies, *Middle East Quarterly*, Spring 2005, pp. 3-10.

⁵³ Jin Liangxiang, SIIIS, "Energy First: China and the Middle East", *Middle East Quarterly*, Spring 2005, -pp. 3-10.

⁵⁴ *Ibid.*

⁵⁵ "Hu Jintao Urges Army to Perform 'Historical Mission,'" *People's Daily*, March 14, 2005; "Perform Vital Mission, Hu Tells Military," *China Daily*, March 14, 2005, http://www.chinadaily.com.cn/english/doc/2005-03/14/content_424515.htm; Jeffrey Engstrom, "PLA's Growing Force Projection Capabilities," *China Brief* 10, no. 25 (December 17, 2010), http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=37295&tx_ttnews%5BbackPid%5D=25&cHash=23a98efe4e.

⁵⁶ Alison Kaufman, "The 'Century of Humiliation and China's National Narratives", Testimony before the U.S. China Economic and Security Review Commission, Hearing on "China's Narratives Regarding National Security Policy", March 10, 2011; Chiranjib Sengupta, "Lessons of History: China's Century of humiliation", *Gulf News*, September 9, 2012; Lyle Morris, "Incompatible Partners: The Role of Identity and Self-Image in the Sino-U.S. Relationship, *Asia Policy*, No 13, January 2012, pp.133-65.

opment. As such, with Xi Jinping at the helm of China's leadership, he'll likely steer China's foreign policy onto a more active course.

Regional Drivers: U.S.'s Asia Pivot and China's Fear of Encirclement

Chinese leaders and strategists have often lambasted U.S. strategy of encircling and containing a rising China.⁵⁷ China views that its eastern flank is already surrounded by anti-Chinese alliances forged by the U.S.: defense treaties with Japan, South Korea, Australia, Philippines and Thailand, in addition to defense cooperation with Taiwan, Singapore and Indonesia. With the post 9/11 *War on Terrorism* and subsequent stationing of U.S./NATO troops in Central Asia and Afghanistan, China is now encircled by U.S. military presence to contain its freedom of action. Air Force colonel Dai Xu, a renowned military strategist, wrote in an article that, "China is in a crescent-shaped ring of encirclement. The ring begins in Japan, stretches through nations in the South China Sea to India, and ends in Afghanistan. Washington's deployment of anti-missile systems around China's periphery forms a crescent shaped encirclement"(See Map 7).

Map 7: Map of U.S. Strategic Encirclement of China in Eurasia

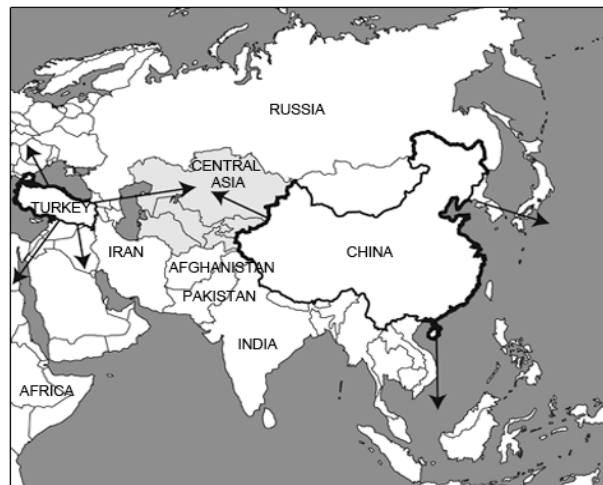


Source: Laura Canali, "How America Wants to Check China's Expansion", *Heartland: Eurasian Review of Politics*, April 2005

⁵⁷ Ye Zicheng, *Inside China's Grand Strategy: The Perspective from the People's Republic*, edited and translated by Steven I Levine and Guili Liu (Lexington, Kentucky: The University Press of Kentucky, 2011); Yong Deng and Fei Ling Wang, *In the Eyes of the Dragon: China Views the World* (Lanhan, Maryland: Rowan & Littlefield Publishers, Inc., 1999); Abanti Bhattacharya, "China's Foreign Policy Challenges and Evolving Strategy", *Strategic Analysis*, March 2006.

As U.S. embarks on its pivot to Asia in order to contain China and partners with Southeast Asian nations to counter China's territorial and maritime claims in the South China Sea, China is taking counter-encirclement steps—by forging partnerships with key pivotal countries with anti-western sentiments such as Pakistan, Iran, Turkey and recently Egypt. Turkey is especially important given: (1) its EU/NATO ties while Islamist AKP's steers it towards a “look east” orientation; and (2) having one foot in NATO and another foot in SCO. As such, it is an important partnering pole in the left flank of the Eurasia continent for China to project its influence and counter-balance U.S. and the West.

Map 8: Sino-Turkey Strategic Partnership and Power Projection



Source: “China and Turkey: A Partnership to Reshape the World?”, *Risk Watch Dog*, October 25, 2010

The Chinese have always been wary of Western-sponsored color revolutions spreading to Central Asia, because it feared that Xinjiang would follow suit and declare independence from China just as the Central Asian Republics declared independence from the Soviet Union. Moreover, for many years the Turkic Uyghurs in Xinjiang enjoyed protection and sympathetic support of their separatist movement in Turkey. As such, China is now seeking Turkey's cooperation and reciprocity in respecting Xinjiang as China's territory in exchange for supporting Turkey's stance on the Kurds in Turkey. The SCO is thus an effective vehicle through which both could cooperate and expand their influence in Central Asia.

International Changes: Arab Spring Surprise and Uncertainty in Middle East

The Arab Spring caught China by surprise, and it suffered great investment losses that took years of building influence and negotiations with previous regimes. The CCP values stability with authoritarian regimes for its infrastructure projects in the Middle East, North Africa and Central Asia, and fears the West will encourage pro-western regime changes that are detrimental to Chinese interests. Additionally, by voting for UN Security Council Resolutions (UNSCRs) supporting regime change due to human rights abuses, it opens the door for future western interventions in China over its own human rights abuses (e.g., Tiananmen Square Massacre, Tibet, Xinjiang, etc.).



Libya. In the case of Libya, China perceived that by being complicit with the West via its abstention from UNSCR 1973, it directly contributed to the fall of Gaddafi with disappointing payoffs. Domestic nationalists criticized the government for “compromising its principles” and “acquiescing to Western demands”, and internationally neither the West nor the Libyan National Transitional Council (NTC) showed appreciation for China’s abstention.⁵⁸ China lost more than \$20 billion worth of investments, had to evacuate 36,000 Chinese national from Libya, and when Beijing urged NTC to protect its oil interests, it was shocked and humiliated by the public announcement from the Libyan oil company AGOCO that they “don’t have a problem with Western countries, but may have political issues with Russia and China.”⁵⁹ China was unprepared to protect its interests in this scenario, and its perception of gaining nothing while losing everything by acquiescing to the West, significantly contributed to its subsequent decision to veto the Syrian resolution.

Syria. China perceived it was tricked by Westerners on UNSCR 1973 which NATO exploited to intervene militarily to oust Gaddafi under the fig leaf of Responsibility to Protect (R2P), so it is now taking a harsh stance in Syria via its UNSC veto. Professor Yin Gang, a Middle East expert with the Chinese Academy of Social Sciences, said the veto was an effort to stop the UN from interfering in the domestic affairs of another country. Yin explained that “Beijing’s concern is also of Syria becoming another Libya...if the UN can do this in Syria, it will do it again to another country in the future, and that is what Chinese leaders are worried about.”⁶⁰ More over, Beijing wanted to side with Russia to counterbalance U.S. influence in the region. Professor Xiao Xian, a leading Middle East expert and vice president of the Chinese Association for Middle East Studies, said “The only explanation for China’s move is that Beijing is seeking closer collaboration with Moscow in order to check and balance the U.S.-led Western alliance’s domination of global affairs”.⁶¹

In Beijing’s cost-benefit analysis, China’s acquiescence to UNSCR 1973, which resulted in Western military intervention, was a complete loss. According to Yan Xuetong, a prominent Chinese strategist, the West and Arab states did not appreciate China’s effort on Libya and chastised it for not participating in the military campaign. Yan argues “regardless of how China votes on Syria, the West will always see China as an undemocratic country with a poor human rights record and the Arab states will always side with the West.”⁶² Thus China perceives its veto of the Syria resolution does not fundamentally cost Beijing anything. However, it had much to gain by saving Moscow from international isolation—the joint veto was a powerful demonstration of Sino-Russia diplomatic cooperation to maintain power balance in the Middle East. More importantly, China fears denial of access to energy sources in regions where western military interventions prop up pro-western regimes.

China is also changing to a more nuanced and sophisticated strategy of hedging its interests with current regimes as well as the opposition. The bitter lesson from its belated and ongoing unstable relationship with Libyan NTC prompted Beijing to be more proactive in building relations with the Syrian opposition, while simultaneously pursuing a mediation role inside and outside of Syria.⁶³ As such, during February, China’s Foreign Ministry conducted shuttle diplomacy and dispatched senior delegations to Syria, Egypt, Saudi Arabia, Qatar,

⁵⁸ Yun Sun, “Syria: What China has learned from its Libya Experience”, Asia Pacific Bulletin, No 152, East West Center, February 27, 2012.

⁵⁹ *Ibid.*

⁶⁰ Cary Huang, “China does not want ‘another Libya’”, *South China Morning Post*, February 2012.

⁶¹ *Ibid.*

⁶² Yun Sun, *Ibid.*

⁶³ *Ibid.*



Iran, Jordan, Israel and the Palestinian Authority for consultations. It has also become more assertive militarily, sending Chinese warships to the Mediterranean Sea in a “show of flags” along with Russian naval flotilla presence near Syria. With so many overseas interests at stake, China is no longer strictly adhering to its non-interference stance.

Egypt. Henry Kissinger said in the Middle East, there could be no war without Egypt and no peace without Syria. Well aware of this, China is thus courting Egypt, the cultural center of the Arab world and a geostrategic pivot state controlling the Suez Canal and in close proximity to the Horn of Africa, to further project its influence in the Middle East and Africa.

Sino-Egypt ties date back to the first meeting between Egyptian President Gamal Abdel Nasser and Chinese Premier Zhou Enlai during the 1955 inaugural NAM meeting in Bandung, Indonesia. China courted Egypt because it was the most populous Arab country, a center of gravity in the Arab world, and as such backed Egypt's aspirations to assume a role in representing Africa and the Middle East alongside the five UNSC members.⁶⁴ Egypt is also a leading advocate of greater Sino-Arab cooperation under the auspices of the Arab League as well as enhancing ties between China and the Africa Union.⁶⁵ China also has vast investments in Egypt's hydrocarbon industry, as well as construction, telecommunications, and agriculture. Beijing has pursued agreements that enhance China's direct access to Egyptian port facilities along the Suez Canal through Hong Kong's Hutchison Whampoa, Ltd, a firm with close ties to the PLA. It has also taken advantage of other economic opportunities in the Suez Canal Zone, further consolidating its ‘proto-maritime colonialism’ stance in controlling and securing influence around the strategic trade and communications choke points across the globe.⁶⁶

China and Egypt have also expanded military cooperation. Significantly, a decade ago, a PLAN fleet representing the North China Sea Fleet crossed the Suez Canal in June 2002 and docked in the port city of Alexandria during its first around-the-world voyage.⁶⁷ China's PLA front company, National Aero-Technology Import and Export Corporation (CATIC), in 2005 also partnered with Egypt's A.O.I. Aircraft to jointly produce K-8E flight trainers,⁶⁸ thus bringing both countries' defense industries and military into a closer relationship. According to a study by the Norwegian University of Science and Technology, from 1989-2008 China sold more weapons to Egypt than Sudan and Zimbabwe (its traditional clients) combined, making Egypt China's biggest weapons market in Africa.⁶⁹ The study also observed that U.S. military assistance to Egypt frees up cash for Egypt's government to then purchase additional Chinese arms, and some analysts are worried that increased Chinese presence in Egypt, coupled with a Morsi government less loyal to the U.S., would give China access to American military technology.⁷⁰

By courting Egypt, China enhances its regional influence and gains a better position to check U.S. power in a region of vital strategic significance. It is projecting into the part of the world that was a traditional U.S. sphere

⁶⁴ *Arabic News*, May 23, 2005; Chris Zambelis, “Down the River Nile: China Gains Influence in Egypt”, *China Brief*, Vol 5, Issue 22, October 25, 2005.

⁶⁵ Chris Zambelis, *Ibid*.

⁶⁶ *Al-Ahram Weekly*, July 15-21, 2004, Issue No 699; Chris Zambelis, *Ibid*.

⁶⁷ “Chinese Naval Fleet Calls at Alexandria in First Visit to Egypt”, *Xinhua*, June 14, 2002.

⁶⁸ *Xinhua*, August 8, 2005; “China Issues License to Egypt Manufacturer to Build Fighter Jet Trainer”, *Agence-France Presse*, August 30, 2005.

⁶⁹ “Is China ‘Buying Egypt’ From the US?”, *CNBC*, September 7, 2012.

⁷⁰ *Ibid*.



of influence, just as it perceives U.S. is encroaching on its sphere of influence and core interests in the Western Pacific and Central Asia. Likewise, Egypt is seeking to diversify away from its dependence on the U.S. for military and economic assistance, and Morsi is hedging his bets by making China its first visit outside of the Middle East, ahead of the U.S. As Saed Lawendy, political expert with al-Ahram Center for Political and Strategic Studies said to Xinhua, "The president believes the economy is the fuel oil that moves the international political truck forward, for that reason he headed to China which is the second powerful economy in the world".⁷¹

IV. Implications for the United States in the Near Future

As U.S. influence begins to wane in the Middle East and pivots, or "rebalances," towards the Asia Pacific, China is seizing a strategic window of opportunity to fill the growing vacuum and attempting to shape a post-Arab spring region that is more hospitable for China's power projection capabilities. A rising power with expanding interests, China will become more proactive in the Middle East and North Africa. Beijing also needs continued market access both for extraction of strategic mineral resources as well as export markets to fuel its ever-expanding war chest. As such, Chinese navy has now entered "NATO Lake" of the Mediterranean Sea to protect its interests, and this an example of an area outside of Asia Pacific where there is a risk of a potential military clash between the U.S. and China. In fact, China's naval ambitions and aircraft carrier even fuelled fear in Great Britain, when in the aftermath of Chinese naval vessels having sailed to the Mediterranean to help evacuate its 36,000 citizens in Libya, a *Daily Mail* article was entitled "After Beijing sends a frigate to the Med, a leading author poses a chilling question...how long until a Chinese aircraft carrier sails up the Thames?"⁷²

An Expanding Definition of China's Core Interest

Despite its economic rise, China is not liberalizing. As John Lee from the Hudson Institute argues, the West holds a seductive belief that authoritarian China will be increasingly integrated into a liberal order and emerges as a defender of such order. However, China is moving in the opposite direction of what a 'responsible stakeholder' in a liberal order ought to be doing.⁷³ Rather, it is wishing to supplant the U.S.-led post-war liberal world order of the "Washington Consensus" with its own "Beijing Consensus" based on authoritarian rule for economic development.⁷⁴ Beijing has its own definition and rule of the international game, with its own historic narrative of payback time as they emerge from their "Century of Humiliation" that dictates their current behavior. Already, the South China Sea is witnessing an emboldened and aggressive China with expanding sovereignty.

Recently, in July, China's State Council approved an establishment of a new national prefecture on Woody Island in the Paracel Islands, which is disputed territory between Vietnam and China. China's Central Military Commission announced that it would deploy a garrison of soldiers to guard the Paracel Islands, announced a

⁷¹ Shaimaa Behery, "News Analysis: Egypt's new president seeks 'balanced' diplomatic strategy", *Xinhua*, September 6, 2012.

⁷² Ian Morris, "After Beijing sends a frigate to the Med, a leading author poses a chilling question...How long until a Chinese aircraft carrier sails up the Thames?" *Daily Mail*, March 5, 2011; Christopher P. Cavas, "Chinese warships tour the Mediterranean", *Defense News*, August 9, 2010; Gabe Collins and Andrew Erickson, "Implications of China's military evacuation of citizens from Libya", *China Brief*, Vol. 11, Issue 4, March 10, 2011; Jeremy Page, "Libyan Turmoil prompts Chinese Naval Firsts", *Wall Street Journal*, February 25, 2011.

⁷³ John Lee, "The Link Between Rising Powers "Domestic Regime Type and Liberal International Order", *Global Trends 2030*, May 31, 2012.

new policy of “regular combat-readiness patrols” in the South China Sea, and began offering oil exploration rights in locations recognized by the international community as within Vietnam’s exclusive economic zone.⁷⁵ Although China established a new military garrison and unilaterally annexed a disputed area, America’s reaction has been muted. In a recent *Wall Street Journal* article, Senator James Webb (D-VA) observed that China’s economic power and its assertive use of its navy and commercial vessels to project influence has changed dynamics in East Asia. He criticized that “In truth, American vacillations have for years emboldened China”.⁷⁶ And, East Asian allies are “waiting to see whether America will live up to its uncomfortable, but necessary, role as the true guarantor of stability in East Asia, or whether the region will gain be dominated by belligerence and intimidation”.

Indeed, allies in the Middle East are watching as well. U.S.’s muted responses to China’s clashes with Japan, Vietnam, and Philippines in the Western Pacific and U.S. inaction towards North Korea’s sinking of South Korea’s naval vessel *Cheonan* in 2010, have negative implications for the credibility of U.S. security umbrella.

Israel and Gulf Allies Watching U.S. in East Asia: East Asian Allies Watching U.S. in the Middle East

In light of the 2010 North Korean menace in East Asia, Israel and Gulf allies were watching U.S. reaction to an ally under attack, as they face their own Iran menace in West Asia. Emile El-Hokayem, political editor of *The National* (UAE) and senior fellow at the International Institute for Strategic Studies (IISS), stated at a July 2010 Wilson Center conference that Gulf states have their own Taiwan issue. UAE has disputes over three islands with Iran (see Map 9), and Hokayem said Gulf States look at Taiwan as a litmus test for U.S. security guarantee.⁷⁷ He observed that Gulf States saw that North Korea sank the *Cheonan* and U.S. did nothing, and questioned whether the U.S. would protect its Gulf allies if they get in a situation where Iran sinks a vessel. Hokayem said that how U.S. treats its East Asian allies has direct relevance for Gulf States.

Map 9: UAE-Iran Dispute over Three Islands



Source: Perry–Castañeda Library Map Collection

⁷⁴ Stefan Halper, *The Beijing Consensus: How China's Authoritarian Model will Dominate the Twenty First Century* (Basic Books), February 23, 2012.

⁷⁵ James Webb, “The South China Sea’s Gathering Storm”, *The Wall Street Journal*, August 20, 2012.

⁷⁶ *Ibid*; William Lowther, “East Asia Watching US, senator says”, *Taipei Times*, August 22, 2012.



It is also relevant for Israel, as Israeli press kept a close watch on events unfolding on the Korean Peninsula since Iran emulates North Korea's playbook. "Why a brazen N. Korea is Israel's concern", "As Iran watches Korea", and 'S. Korea, N. Korea, Israel and Iran' are samples of press titles at the time.⁷⁸ Now, Middle East and East Asian allies are once again watching U.S. action on China's aggressions in the South China Sea, as well as Iran's belligerence against Israel and Gulf allies in the Middle East.

Credibility of U.S. Security Guarantee and Allied Reassurance

The credibility of U.S. security guarantee is at a critical cross road. How U.S. chooses its course of action will have long-lasting ramification for regional security both in the Middle East and East Asia. If U.S. fails to reassure allies, loss of confidence in U.S. security umbrella will lead to arms race and increased nuclear proliferation that threatens to destabilize both regions.

Right now, Israel is a litmus test of U.S. credibility as a dependable ally, as allies from both Asia and the Middle East watch. U.S. behavior in the Arab Spring of helping to oust Mubarak is already viewed as a betrayal and abandonment of a steadfast ally. And East Asia allies are also losing confidence in view of U.S.' muted responses to North Korea's menace as well as China's military aggression in the region. Both regions are at a nuclear tipping point that will decide to abandon the U.S. security umbrella and embark on a cascade of nuclear proliferation, or retain confidence in U.S. security guarantee and remain under its nuclear umbrella.

In a 2008 Congressional report entitled "Chain reaction: Avoiding a nuclear arms race in the middle east", the report concludes that if Iran goes nuclear, Egypt, Turkey and especially Saudi Arabia will likely go nuclear.⁷⁹ Egypt until now had two deterrence from the nuclear weapons path: (1) peace treaty with Israel; and (2) security partnership with the U.S. However, given the new Muslim Brotherhood leadership that threatens to dissolve the peace treaty and security partnership, Egypt may embark on this path. In 2006, members of the Brotherhood advocated a nuclear weapons program, and its spokesman Dr. Hamdi Hassan said that Egyptians "are ready to starve" to obtain a nuclear weapons.⁸⁰ Likewise, Turkey under the Islamist AKP leadership is considering Chinese bids to build nuclear reactors, due to its ability to secure financing without requiring guarantees from the Turkish government.⁸¹ As for Saudi Arabia, it lacks confidence in the U.S. nuclear umbrella and in the 1980s secretly procured 50 to 60 CSS-2 missiles from China that could fit nuclear warheads, in addition to financing Pakistan's nuclear weapons program. Former U.S. Ambassador to Saudi Arabia, Chas Freeman, disclosed that Saudi officials warned him if Iran gets nuclear weapons, the Saudis would be compelled to acquire its own deterrent stockpile.⁸²

⁷⁷ Emile El-Hokayem, "China and the Persian Gulf", Woodrow Wilson Center Conference, 12 July 2010.

⁷⁸ Caroline Glick, "S. Korea, N. Korea, Israel and Iran", *Jerusalem Post*, 21 May 2010; "As Iran watches Korea", *Jerusalem Post*, 27 November 2010; Jonathan Spyer, "Global Affairs: Why a brazen N. Korea is Israel's concern", *The Jerusalem Post*, 26 November 2010; "Hardline Israeli Paper Laments S Korea's Response to Attack", *Chosun Ilbo*, 30 November 2010.

⁷⁹ "Chain reaction: Avoiding a nuclear arms race in the middle east", Report to the Committee on Foreign Relations, United States Senate, 110 Congress, 2nd session, February 2008.

⁸⁰ Shaul Shay, "Will Egypt Go Nuclear", BESA Center Perspectives Paper No. 182, September 13, 2012.

⁸¹ "Why Turkey is looking to China for its Nuclear Power Needs", *World Crunch*, April 18, 2012; Leslie Hook and Daniel Dombey, "China edges ahead in Turkey nuclear race", *Financial Times*, April 8, 2012.

⁸² Kurt Campbell, "Reconsidering a Nuclear Future: Why Countries Might Cross Over to the Other Side" in Kurt Campbell, Robert Einhorn, Mitchell Reiss, eds., *Nuclear Tipping Point: Why States Reconsider Their Nuclear Choices* (Washington, D.C.: Brookings Institution Press, 2004), p.129.



In face of China's aggression in the Western Pacific and the inability of the international community to prevent a nuclear North Korea, the risk for an East Asian regional crossover of the nuclear tipping point is much higher, where three U.S. allies have a prior history of clandestine nuclear weapons programs (e.g., Japan, South Korea, Taiwan). In a 2007 CSIS study, strength of security alliance is the overriding factor in a state's choice to seek nuclear weapons.⁸³ In the case of Taiwan and South Korea, perception of decreasing U.S. security commitment led to corresponding pursuit of clandestine nuclear programs.⁸⁴ In the case of Japan, it considered and rejected the nuclear options four times due to confidence in the U.S. security guarantee: (1) the 1960s due to the 1964 Chinese nuclear test; (2) mid 1970s due to debate on ratifying the NPT; (3) mid 1990s debate on indefinite extension of NPT; and (4) North Korea nuclear crisis when it conducted nuclear tests in 2006 and 2009.⁸⁵

However, over the last few years, the credibility of U.S. security guarantee has been eroding. U.S.'s muted responses in face of Chinese aggression, a nuclear North Korea's threats to East Asia allies, a nuclearizing Iran's threats towards Israel and Gulf allies, is no longer assuring U.S. allies. As war drums beat in the Middle East, both friends and foe alike are watching—China, Russia, Iran, North Korea, Gulf and East Asian allies. Whether U.S. chooses to stand with Israel or let Israel stand alone, will warn others of the credibility of U.S. as a guarantor of security and its preponderant power. As Senator Webb penned in the *Wall Street Journal*, Allies are watching to see if U.S. will step up to the plate and defend its status as security guarantor in face of aggression, or finally relinquishes the title and cede it to the Middle Kingdom to confirm its Sino-centric place in the world.

Remarks: Opinions expressed in this contribution are those of the author.

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⁸³ Natasha E Bejema, "The Dynamics of Nuclear Proliferation: How Close is the tipping point?" in "Nuclear Scholar Initiative" Project on Nuclear Issues", Center for Strategic and International Studies (CSIS), 2007.

⁸⁴ *Ibid.*, p.4. Taiwan pursued a clandestine nuclear program in the 1970s in face of U.S.-China détente and process of U.S. derecognizing Taipei by recognizing Beijing, while South Korea pursued its program when Nixon pulled U.S. troops out of South Korea in 1970.

⁸⁵ Maria Rost Rublee, *Nonproliferation Norms: Why states choose nuclear restraint* (Athens, GA: University of Georgia Press, 2009).



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