

CHINA AND THE “ARAB SPRING”: A NEW PLAYER IN THE MIDDLE EAST?*Ahmed Kandil**

Driven by its external resource dependency and capitalist expansion, China had to enter a process of abruptly adapting its foreign policy to the “Arab Spring” countries. In this process, Beijing’s reactions to these countries, like those of the EU and the US, showed its willingness to become a more active player to defend its growing interests.

These reactions have two main characteristics. The first characteristic was hesitation in supporting the Arab peoples’ democratic aspirations and standing aside to “wait and see”. This Chinese hesitation could be explained by three main reasons. First, Beijing’s fears of similar democratic aspirations in its lands where political and social grievances continue to increase. Secondly, Beijing’s fears of international humanitarian intervention in the future. Many Western governments have accused the Chinese government of violating human rights and repressing the political opposition groups in China. These accusations could be the significant excuse to intervene in China’s internal affairs if the international humanitarian intervention becomes the norm widely accepted by the international community. Thirdly, many Chinese decision-makers also feared that the success of the “Arab Spring” in replacing the authoritarian regimes is likely to negatively affect their growing interests in the Arab countries. Over the past decade, Beijing has pursued closer relations with entrenched authoritarian leaderships in these countries to ensure its increasing dependence on energy imports, its central role in the financing and development of major oil fields in the Arabian Gulf, and its growing investment of Chinese multinationals across the Arab world in infrastructure projects. All these reasons contributed to China’s “wait and see” approach toward the “Arab Spring” when it started in Tunisia, Egypt, and Libya.

In this regard, China’s initial approach towards the “democratic storms” was to advocate stability, return to normalcy and hold high the banner of state sovereignty and non-interference. This familiar spinal reaction is the logic of the five principles of

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peaceful co-existence laid down in 1949 by Mao Zedong as guidelines for China's foreign policy.¹

This Chinese passive approach was very clear, for example, in the Egyptian case. China's initial reaction illustrated its displeasure with the course of the January 25th Revolution. Long before this revolution, Beijing sought to build close ties with the Mubarak regime to enhance its commercial interests. Between 1999 (when China first established "strategic cooperative relations" with Egypt) and 2009, there was a tenfold increase in Sino-Egyptian trade and the beginnings of Chinese investment in Egypt. After the 25th January 2011, the Chinese officials expressed open unhappiness over US pressure on ex-President Mubarak to resign. But following Mubarak's resignation, China moved quickly to establish relations with different Egyptian political actors from the far right to the far left.

The second characteristic of China's reactions to the "Arab Spring" was its perception of the low profit and low return of its "wait and see" approach. Immediate risks to Chinese political and commercial interests, threats to the safety of Chinese citizens who were living in the "Arab Spring" countries and larger concerns about the potential dangers of regional instability were all significant factors that contributed in altering China's passive approach to become a more active one. This was very clear when we compare Beijing's reaction to the "Libyan Spring" and the "Syrian Spring".

Beijing's perception of gaining nothing while losing everything in Libya after abstaining on the UN Security Council Resolution 1973 significantly contributed to its decision to veto the Syria resolution in the UN Security Council Resolution on 4th February 2012.

In Libya, Beijing's historical relationship with Gaddafi's regime, including oil deals and arms sales, its belated recognition of the National Transitional Council (NTC) and lack of contribution to NATO's military campaign were perceived by many Libyans as

1. The five principles of peaceful coexistence are: 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. These principles were formally written into the preface to the Agreement between the People's Republic of China and the Republic of India on Trade and Intercourse between the Tibet Region of China and India concluded between the two sides. Since June 1954, the five principles were contained in the joint communiqué issued by Premier Zhou Enlai of China and Prime Minister Jawaharlal Nehru of India, and have been adopted in many other international documents.

Beijing's rejection of the Libyan "democratic movement". Consequently, China had a little influence in securing favorable considerations for its economic interests in Libya. This was very clear when Beijing urged the NTC to protect its oil projects in Libya last year. The NTC's reaction was shocking and humiliating to the Chinese officials because of the public announcement from the Libyan official side that they "don't have a problem with Western countries, but may have political issues with Russia and China." According to the Chinese media, the total loss to Chinese companies from regime change in Libya was more than \$20 billion.

In addition to the economic loss, Beijing's passive approach toward the "Libyan Spring" was criticized politically at home and abroad. At the domestic level, China's abstention from UNSCR 1973, which cleared the road for NATO military intervention in Libya, was seen as compliance with the West. It also raised speculation about whether China was abandoning its long held non-interference principle, tarnishing the very image that Beijing takes great pride in. The Chinese nationalists also criticized Beijing for "compromising its principles" and "acquiescing to Western demands." At the international level, the Western and Arab states did not show any appreciation for China's stance on Libya and instead labeled China an "irresponsible power" for not participating in the military campaign.

To avoid such political criticism and economic loss, China decided to apply a more proactive diplomacy regarding the "Syrian Spring". This was clear when Beijing decided to open communication channels with the Syrian democratic opposition after its veto in the UN Security Council which shielded the Syrian President Bashar Al-Assad from the international military intervention. Twenty-four hours after China cast the veto, a delegation from the Syrian National Committee for Democratic Change — a key Syrian opposition group — visited Beijing at the invitation of its Foreign Ministry which praised the meetings as "exchanges of opinions on the situation in Syria and a thorough articulation of China's positions."

Despite many calls from Arab political activists on Facebook and Twitter to impose an embargo on Chinese products in Arab markets and cutting off diplomatic relations with China, Beijing's active approach towards the Syrian case achieved many political and economic gains from the Chinese perspective. First, China's veto saved Moscow from international isolation — the joint veto was a powerful demonstration of Sino-Russia diplomatic cooperation — a favor that Russia now has to return. Secondly,

China's veto was seen as conducive to maintaining the current power balance in the Middle East, which China prefers over a military campaign to remove the Syrian regime, led by President Bashar Al-Assad, and indirectly influence Iran which has significant trade ties with Beijing. Last year, China was the largest trade partner to Iran as it received more than 21% of Iran's total energy exports. Beijing also has tremendous direct investments in the Iranian energy sector as well as long-term natural gas deals.

China's perceptions of its gains resulting from its proactive diplomacy in the Syrian case (from the UN veto to new approaches towards the Syrian opposition) encouraged Beijing to increase its mediation and engagement throughout the Middle East region with unprecedented enthusiasm. During February 2012, China's Foreign Ministry dispatched senior delegations to Syria, Egypt, Saudi Arabia, Qatar, Iran, Jordan, Israel and Palestine for diplomatic consultations. Through such new diplomacy, China's policy towards the "Arab Spring" countries is becoming more mature, flexible, and sophisticated.

China as a New Player in the Middle East

China's new proactive diplomacy could help "Arab Spring" countries in building their own future for two main reasons. First, the US is no longer the world's unchallenged superpower and the recent financial and economic crises have affected its and Europe's ability to play a dominant role in improving the socioeconomic conditions in the Arab countries. In contrast, China has achieved continuous high rates of economic development over the past decade.

At the same time, the US and Europe are viewed with some skepticism and caution by the rising political actors in the "Arab Spring" countries, and may not be a completely welcome source of help.

Secondly, China's own experiences make it uniquely qualified to play an important role in the region's transition so that it could become a "responsible power" by active and positive participation in the sustainable development process in the "Arab Spring" countries. China has the capacity to connect with the newly-emerging economic actors in the Arab world. In the region, the new peripheral actors, including the Islamic ones, are emerging with their commercial companies. Understandably, these actors are strong politically, but their commercial companies are still small or middle-sized. The giant companies of Arabian economies are still owned by the older, secular groups. Therefore, new political actors need

foreign partners to help their small and middle-sized companies. Therein lies China's main leverage. Unlike the US super-companies, Chinese companies have developed a successful strategy towards the middle-sized enterprises. US-style capitalism is too big-enterprise minded to realize that small and middle-sized companies play a critical role in the Arab world. Meanwhile, suffering from the West's economic crisis, many middle-sized companies there are vying for Chinese partners. Moreover, middle-sized company economies are best at creating new jobs.

At the same time, China's proactive diplomacy would be likely to help it secure its national interests in the long run by cementing strong ties with the new elite in the "Arab Spring" countries. In 2011, Chinese trade with the entire Arab world amounted to some \$180 billion. Moreover, Arab energy resources are very necessary for the Chinese economic-growth strategy. In addition, China's proactive diplomacy in the "Arab Spring" countries will help in its strategic competition with the US in the light of the growing distrust between Beijing and Washington regarding many important issues, such as arms sales to Taiwan, Iran's nuclear program, North Korea's nuclear and missile programs, the US's security alliances with India and Australia, the US's joint military maneuverings with Japan and South Korea in the China Sea, democratic transition in Myanmar and so on.

A Road Ahead

China, in cooperation with the EU and the US, can play different positive roles in supporting the "Arab Spring" countries. For the past 60 years, the Arab world has generally considered China a friend and supporter of Arab causes. During the past three decades, many Arabs admired China for its achievements, particularly its economic success. As such, China was viewed as an economic role model and topped the list of Arab friends. At the same time, China is also well placed to provide economic aid to help build the capacity needed to create the economic growth that will lead to broader regional stability.

In a practical sense, China's own developmental model would be likely to help it to better understand many of the challenges Egypt and other Arab countries now face. China has also been involved for decades in sizeable infrastructure projects in the region, resulting in priceless project management expertise.

In addition, China could also establish or enhance preferential trade programs to allow duty-free import of goods from the Arab countries for a set period of time, with the aim of

negotiating free trade agreements (FTAs) to replace the preferential trade programs. The use of short-term duty-free status would provide an immediate economic boost, while the eventual adoption of FTAs would help lock in broader economic reforms.

Moreover, China could create a new “developmental fund” to support the sustainable development projects in the Arab countries, especially in the following areas: the labor-intensive industries, new technologies in the agricultural sector, infrastructure projects, and renewable energy projects. This fund can play a significant role in the “Arab Spring” countries in the following areas: achieving food self-sufficiency, providing new job opportunities and creating new investment opportunities for Chinese companies.

In conclusion, China should learn from events in the “Arab Spring” countries that support for unstable and authoritarian regimes can have a directly negative impact on China’s interests in the long run. China’s proactive diplomacy in the “Arab Spring” countries would likely help these countries build their own future. Such diplomacy may entail more of a “responsible stakeholder” approach as wished for by many in the EU and the US.

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