

# Strategic Analysis Paper

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## China in the Middle East: The US Factor

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### Key Points

- The United States has had a geostrategic interest in the Middle East since the Second World War.
- That interest was based on its global aspirations as well as its energy dependence.
- It has, more recently, witnessed a diminution of political interest in the region as well as reduced dependence on Middle Eastern energy.
- That situation has caused concern among the rulers in the Middle East, who seek a security guarantor if the US were to withdraw from the region.
- China has various reasons for wishing to replace the US in the Middle East.
- Whether Beijing desires to achieve that goal, however, is uncertain.

### Summary

Shortly after hosting the seventh biannual Ministerial Meeting of the China-Arab States Co-operation Forum (CASCF) in Beijing in July this year, Chinese President Xi Jinping visited the United Arab Emirates for three days. It was his [second Middle East trip](#), after visiting Saudi Arabia, Iran and Egypt in January 2016. During the course of the visit, Xi and the current president of the UAE, Sheikh Khalifa bin Zayed bin Sultan al-Nahyan, elevated the bilateral relationship to a comprehensive strategic partnership, the highest level in China's hierarchy of diplomatic relations. Mr Xi's visit was well-timed; at the CASCF meeting, he

declared the Arab states to be natural partners in his legacy Belt-Road Initiative (BRI), called for 'comprehensive, co-operative and sustainable security' and [announced](#) that China would provide loans, aid and development funding packages totalling US\$23 billion (\$32 billion) to be linked to efforts to stabilise the Middle East in order to facilitate the BRI. China seeks to emphasise development opportunities in its relationships, underscoring the [observation](#) of Ambassador Li Chengwen, the Chinese permanent representative to the CASCF, that 'The root problems in the Middle East lie in development, and the only solution is also development.'

The larger question, however, remains: does China seek to nurture and develop its ties to the Middle East as a prerequisite towards supplanting the United States as the security guarantor and primary extra-regional power there?

### Analysis

In 1914, when British soldiers landed at Basra in southern Iraq to protect oil supplies from Persia, the United States had little interest in Middle Eastern oil or the region's geopolitics, its attention being turned to Latin America and East Asia. When Britain offered to share the spoils of the Ottoman Empire after the First World War, President Woodrow Wilson declined. During the Second World War, British, Soviet and US forces were stationed in Iran to help transfer military supplies to the Soviet Union and protect Iranian oil. Josef Stalin withdrew his troops after the war only after Truman protested their presence there. Truman also strengthened ties with Reza Shah Pahlavi, the Shah of Iran, and made Turkey a member of the North Atlantic Treaty Organisation, thus turning the region into a potential front in the Cold War against the Soviet Union. In 1953, Eisenhower ordered the CIA to depose Mohammad Mossadegh, the elected leader of Iran, who opposed British and American influence in his country. The coup tarnished the reputation of the US among Iranians, who lost trust in its claim to protect democracy. That trust was further diminished by the growing perception among Iranians that the US-backed Shah was little more than Washington's puppet. That perception, coupled with the rampant corruption of his administration, eventually gave rise to theocratic rule in Iran.

By now, however, the US was well-integrated into the politics of the Middle East. Washington also backed the House of Saud in Saudi Arabia, and the regimes in Kuwait and Bahrain, where it stationed its naval Fifth Fleet in 1995. Prior to that, Washington had developed extensive economic and political links with those countries; centred, for the most part, on its energy imports. By 2005, the US imported around 60 per cent of the oil it consumed, most of that from the Middle East, which has around 55 per cent of the world's known oil reserves. It also walked a fine line in maintaining simultaneously its relations with both Israel and the Arab states. The US made the security of Israel its top regional priority, bringing that about through military aid, technology transfers, diplomatic efforts aimed at either coercing Arab states into accepting the fact of Israel's existence despite their public claim not to do so, and by making Israel the military and nuclear hegemon in the region. In so doing, however, it has polarised Arab common opinion and, to a degree, furthered ideological radicalisation in the region.

That antipathy is further fuelled by Israel's ongoing threat to wage war against Iran, no matter that Shi'ite-majority Iran is disliked almost as intensely by the Arab street as the US. The US's regional security ambitions are conflated with those of Israel; it is perceived, as a consequence, to encourage Israel to threaten war against Iran, a war that no Arab state wants. Washington, therefore, finds itself being uniformly disliked by Sunni and Shi'a alike.

There is another factor that causes the Arab élite, this time, to doubt Washington's intentions and interest in maintaining regional security. With its new-found capability to extract oil from shale deposits, the US will likely become, once again, a net exporter of oil. Its energy imports could fall to as low as ten per cent of its total consumption, thus causing its dependence on Middle Eastern imports to decline. That decline, coupled with the current administration's apparent disinterest, leads the ruling élites in the region to fear that Washington's involvement in their area could wane, leaving them at risk. In such a case, they fear, Washington's involvement in the Middle East could rest almost entirely on its aspirations for global economic hegemony, rather than the need to ensure the region's security based on its dependency on the region's energy resources. That will, almost inevitably, raise questions in Washington about whether the costs of remaining in the region are proportionate to the benefits derived from maintaining a presence there. For regional states, this line of thought leads to an elevated degree of uncertainty about Washington's desire to remain in the Middle East. These states are, for the most part, underdeveloped in terms of infrastructure and militarily, no matter that several are extremely wealthy. Having had their security underwritten by the US ever since the Second World War, they now find themselves in unfamiliar waters.

Finally, given the current US administration's emphasis on transactional equivalence – in this case, pressuring regional states into sharing the costs of maintaining a US security presence there – the regional states likely believe that a significant proportion of their energy income could be spent on ensuring that the US remains in the region; those states would, essentially, be paying the US to retain its regional hegemony.

Enter China. As this series has shown (see [here](#), [here](#), [here](#) and [here](#)), China has several major reasons for wishing to replace the United States in the Middle East. The most obvious of those is a dependence on the region's energy resources. The Chinese Communist Party recognises that its hold on power is based to a great extent on the country's economic stability, which is predicated, in turn, on its ongoing economic development. It requires the energy resources from the Middle East to keep its factories turning out their products. While China also obtains its oil and gas from other parts of the world – Russia and Africa come to mind immediately – it is the Middle East on which it is most dependent for its supplies.

Another reason for wishing to strengthen its ties with the Middle East is the latter's geographic location between China and its markets in Europe. Since China obtains much of its energy from the Middle East, using that region as a waystation, apart from being a destination for its manufactured products, makes perfect sense for a country that seeks to project its influence abroad. The region's geographic location could, furthermore, play a major role in military strategy. Absent the ability to move through the Middle East at will, China would be constrained in any future conflict with, say, the United States in the region.

It behoves China, therefore, to ensure that it maintains a good relationship with regional countries.

At a more pragmatic level, one land route of President Xi Jinping's legacy BRI passes through the Middle East. That makes it imperative for China to ensure the security of that route, which necessitates, in turn, that Beijing develop and maintain a close relationship with the region.

There is yet another reason for China to wish to enhance its relations with the countries of the Middle East: its treatment of its Muslim-majority Uighur population. If its economic policies and overall grand strategy are to succeed, the Chinese Communist Party needs to ensure that the entire Chinese population works with it to achieve those objectives and, once it does, to ensure that social differences do not threaten any newly-found power or economic status. It needs to ensure, consequently, that the Chinese population thinks and acts alike, adheres to the same social mores, speaks the same language and, importantly, places an adherence to the Party above all else. The Uighur people, being Muslim, ethnically Turkic and speaking their own language, do not fit those requirements, just as the Tibetan people do not. Beijing has, therefore, enacted repressive measures to force the Uighurs to comply with its diktat, including the incarceration of around a [million Uighur citizens](#) in prison camps that it euphemistically terms "re-education camps" or "vocational training centres". It has also been [alleged](#) that China seeks to breed the Uighur people out of existence by encouraging them to marry Han Chinese. Given that, China feels it necessary to ensure that its version of events and its reasons for this state of affairs are made known to, and accepted by, the countries of the Middle East. That enhanced relationship would also be required to ensure that any action taken against China or its interests by Islamist groups or Uighur rebels would be condemned by the Muslim-majority countries of the Middle East.

While China may have its reasons for wishing to displace the US in the Middle East and to replace it, the issue is whether Beijing has the capacity to replace Washington there. A poll conducted last year by the Pew Research Centre found that in 38 countries, a median of 42 per cent found that the US is the world's leading economy, while 32 per cent gave that title to China. Added to that, most countries of the Middle East have more investments in the US than they do China, which could be seen as an indication of their trust in the US economy, no matter its many problems, and their perception that the US remains the global financial hub, despite the rise of regional centres such as Shanghai. They would also be sharply aware that the global financial system is skewed in favour of the US, that the US remains the world's technological leader and innovator and that, for all of its myriad failings, democracy is far more attractive to the business and commercial environments than authoritarianism. The average Middle Eastern person, moreover, is more likely to study in the US, to watch films made in the US, to visit the US and to speak English than to study in China, watch Chinese films, visit China or speak Mandarin.

No observer of Middle Eastern affairs, more importantly, sees any chance of China replacing the US as the region's security guarantor. Whereas the US, for all its policy gaffes and military misadventures in the region, has involved itself in the Middle East and attempted to play the role of peacemaker, China prefers to not be involved in the politics of the region but to conduct business on a transactional basis, except when it makes political sense to do

otherwise or when it perceives a decided advantage to itself. No matter that China has taken some minor steps to involve itself in Syria, the fact remains that those are of no real consequence in the greater scheme of things. Beijing's approach to the politics of the Middle East is, in short, minimalist and out of all proportion to its business ventures there.

The Chinese commercial footprint in the Middle East is certainly growing, just as its overall presence is. Whether it will replace the United States in the region in the near to mid-term future is quite another matter.

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