

Reshaping Regional Politics

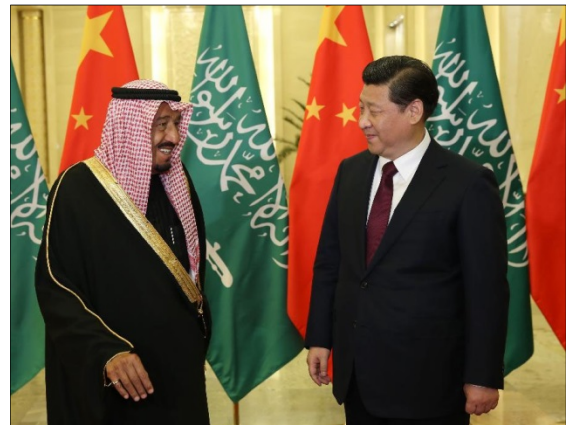
by **Ilan Berman**

China has well and truly arrived in the Middle East. After years of relative passivity, the People's Republic of China (PRC) is now making a concerted effort to expand its strategic presence and economic clout in the region.

For Middle East nations, Beijing's newfound drive for regional prominence is one of the most consequential—albeit least reported—trends of recent years. It holds the power to reshape regional markets as local governments increasingly reorient their economies to take advantage of Chinese outreach and largesse. But the proliferation of Chinese political and economic influence also increasingly threatens to upend long-standing regional security arrangements and fragment solidarity in the Islamic world. The spread of China's model of technologically-empowered censorship, meanwhile, carries with it the potential to reinforce some of the worst political impulses of the region's autocrats.

Expanding Outreach

China's invigorated regional agenda is as significant as it is sudden. Just a few years ago, Chinese engagement with the Middle East could be said to be confined to just two priorities. The first was the sale of arms to weapons-hungry client states in the region, most conspicuously the Islamic Republic of



Chinese president Xi Jinping (right) meets with Saudi Arabia's crown prince Salman bin Abdulaziz al-Saud, Beijing, March 2014. In a 2017 visit, the Saudi monarch signed a memorandum of understanding with President Xi to explore \$65 billion in joint ventures.

Iran.¹ The second was the acquisition of regional energy resources to fuel the ongoing

¹ Dan Blumenthal, "China and the Middle East: [Providing Arms](#)," *Middle East Quarterly*, Spring 2005, pp. 11-19.

expansion of the Chinese economy.²

No longer. The last several years have witnessed an explosion of Chinese interest in and involvement with the region.

Politically, this has been reflected in a spate of high-level contacts between Chinese leaders and regional heads of state. Perhaps the most visible of these was King Salman bin Abdulaziz al-Saud's 2017 visit to Beijing, during which the Saudi monarch inked a memorandum of understanding with Chinese president Xi Jinping to explore a staggering US\$65 billion in joint ventures.³ Equally significant were President's Xi's 2016 visits to Saudi Arabia, Iran, and Egypt, and his subsequent jaunt to the United Arab Emirates (UAE) last year, all of which were intended to reinforce to regional rulers that the Middle East is increasingly important in the calculus of China's leaders.

Economically, too, China's regional presence is growing by leaps and bounds. A decade ago, the Middle East as a whole received just \$1 billion in total Chinese annual investment.⁴ Today, that figure is exponentially higher. At last summer's Ministerial Meeting of the China-Arab States Cooperation Forum (CASCF) in Beijing, Chinese officials pledged a massive \$23 billion in loans and development aid to the countries of the region.⁵ China is now deeply

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involved in numerous construction and infrastructure projects around the region, from Kuwait's planned "Silk City"⁶ to Oman's port of Duqm.⁷

Militarily, China has moved from being a marginal player to an increasingly important participant in regional security. Since 2015, when it opened its first regional base to combat piracy in the African nation of Djibouti,⁸ Beijing has worked diligently to expand its military posture throughout the Middle East and North Africa. This has included frequent port visits by the People's Liberation Army Navy (PLAN) in the southern Persian Gulf and an extended deployment of Chinese military vessels to the Gulf of Aden.⁹ China has also broadened its peacekeeping presence in the region and has become the second largest financial contributor (after the United States) to U.N. peacekeeping operations.¹⁰ That, however, might be just the beginning: In its latest annual report to Congress on China's military power, the Pentagon warned that Beijing could soon parlay these overtures into the creation of military bases throughout the region.¹¹

These investments are undergirded by an increasingly expansive Chinese view of national security—one that necessitates

² Jin Liangxiang, "China and the Middle East: [Energy First](#)," *Middle East Quarterly*, Spring 2005, pp. 3-10.

³ Reuters, [Mar. 6, 2017](#).

⁴ *The Economist* (London), [Apr. 20, 2019](#).

⁵ *South China Morning Post* (Hong Kong), [July 10, 2018](#).

⁶ *Arabian Business* (Dubai), [Nov. 24, 2018](#).

⁷ Reuters, [Sept. 5, 2017](#).

⁸ *The New York Times*, [Nov. 26, 2015](#).

⁹ Sun Degang, "[China's Soft Military Presence in the Middle East](#)," *Dirasat*, King Faisal Center for Research and Islamic Studies, Riyadh, Jan. 2018, p. 10.

¹⁰ *Ibid*, p. 12.

¹¹ *The Guardian* (London), [May 2, 2019](#).

proactive military engagement in the Middle East on the part of the PRC. Beijing's 2015 *National Military Strategy* outlines the need

to tackle all kinds of contingencies and military threats against its national territorial integrity and space and maritime sovereignty; to resolutely support national reunification; to maintain the nation's new forms of security and interests and preserve the safety of overseas interests; to keep up strategic deterrence and prepare for nuclear counterstrikes; to participate in regional and international security cooperation for regional and world peace; to strengthen its anti-penetration, anti-secession, and anti-terror efforts; to safe-guard national political security and social stability; to participate in disaster relief; to safeguard the rights and interests of the Chinese people; and to support national economic and social development.¹²

Understanding Chinese Interests

What fuels the PRC's contemporary focus on the Middle East? The answers are both practical and ideological.

Concretely, the Middle East is more essential than ever for China's continued prosperity: China's energy consumption is soaring, and more and more of its energy is



coming from the Middle East. The country's imports of crude oil, which account for more than 50 percent of total Chinese energy usage, jumped from nearly 6.2 million tons in 2014 to more than 9.25 million tons last year,¹³ and nearly 40 percent of that total now originates in the Middle East.¹⁴

That dependency, moreover, is deepening. Middle East suppliers including Saudi Arabia, Kuwait, and Oman are among the fastest-growing sources of energy for China¹⁵ and can be expected to account for an even larger share of total Chinese oil imports in the years ahead. The Middle East,

¹² "The White Paper of China's Military Strategy, 2015," Information Office of the State Council of the People's Republic of China, cited in Sun Degang, "[China's Soft Military Presence in the Middle East](#)."

¹³ "[China Crude Oil: Imports](#)," CEIC Data, Hong Kong.

¹⁴ Daniel Workman, "[Top 15 Crude Oil Suppliers to China](#)," World's Top Exports, June 7, 2019.

¹⁵ [Ibid.](#)

in other words, is quickly becoming a key engine of Chinese economic growth.

Just as significant, however, has been the reorientation of Chinese foreign policy that has taken place in recent years under the guidance of President Xi. This shift has dramatically expanded China's international engagement and strategic interests as part of an increasingly aggressive, expansionist foreign policy.

Beijing today can be said to have abandoned Chinese leader Deng Xiaoping's famous dictum that China should "keep a low profile" in favor of a larger role on the world stage. This has entailed a shift in attitudes toward regions like the Middle East. As Joshua Eisenman of the American Foreign Policy Council has noted, developing states—including the countries of the Middle East and North Africa—"are assuming a larger role in China's thinking in both political and economic affairs."¹⁶

This view dovetails with the Belt and Road Initiative (BRI), the sprawling framework of trade and commercial ties between China and various world regions that has become Beijing's signature foreign initiative since its formal launch in 2013. Chinese officials have made clear that they see the Middle East as an intrinsic part of the BRI¹⁷ and have ramped up their investments in the region accordingly.

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Dangerous Byproducts

China's deepening involvement carries tremendous consequences for the countries of the Middle East. Slowly but surely, Beijing's growing financial and strategic footprint is beginning to alter politics and security in the region in at least three discernable areas.

The first is the longstanding strategic ties between Jerusalem and Washington, which are being directly—and adversely—impacted by China's deepening economic presence in the Jewish state. Over the past decade, Israel has worked diligently to broaden its global appeal as a "startup nation" in technology and innovation to attract foreign direct investment on a large scale. This effort has proven extremely successful. In 2016, Israel's high-tech sector raised \$4.83 billion in foreign direct investment. In 2017, that figure rose to \$5.24 billion. And as of mid-2018, Israel's tech industry had drawn in more than \$3.2 billion for that year—greater than the total capital raised by the industry between 2010 and 2013.¹⁸

While much of this investment has historically come from the United States and Europe, a growing share is Chinese in origin. Over the past several years, Beijing has positioned itself as a key stakeholder in the so-called "Silicon Wadi," inking cooperative agreements and acquiring Israeli companies in deals cumulatively worth hundreds of millions of dollars.¹⁹ Informed estimates now suggest that China is on track to overtake the

¹⁶ Joshua Eisenman, "[BRI in Context](#): China's Geostrategic Conception of the Developing World," *Global Asia*, June 2019.

¹⁷ Xi Jinping, speech to League of Arab States, Ministry of Foreign Affairs of the People's Republic of China, Jan. 22, 2016.

¹⁸ *Times of Israel* (Jerusalem), [July 24, 2018](#).

¹⁹ Reuters, [Sept. 11, 2017](#); *Forbes* (New York), [May 30, 2018](#).

United States as Israel's single largest overall source of investment in the near future.²⁰

Yet as China's stake in Israel has grown, so too has its potential impact on Israel's most vibrant and enduring alliance: its strategic partnership with the United States. Today, officials in Washington are increasingly alarmed over China's growing penetration of Israel's high tech sector. After years of systematic investments, they say, the Chinese now directly control, or have influence over, as much as one-quarter of Israel's total tech industry, including defense contractors at work on sensitive projects jointly being developed with the United States.²¹ They also intimate that, unless it is

properly regulated by the Israeli government, China's growing stake in the country could end up adversely affecting joint projects between the two countries. No less senior an official than U.S. national security advisor John Bolton personally delivered this message when he met with Prime Minister Benjamin Netanyahu and other top Israeli officials for consultations in Jerusalem in early 2019.²²

But China's investments threaten the U.S.-Israeli strategic partnership in other ways as well. In 2015, a Chinese conglomerate known as the Shanghai International Port Group (SIPG) signed a multi-billion dollar deal with the Israeli transportation ministry for the future rights to operate the Haifa port.²³ Under the terms of the agreement, SIPG will take control of day-to-day operations at the port for the span of a quarter-century beginning in 2021 when the current process of modernization and construction of the facilities is completed. The agreement was controversial from the outset because Haifa is more than simply a commercial hub; it also represents a fixture in the long-running U.S.-Israeli strategic partnership, regularly hosting naval visits from the U.S.



In 2015, the Chinese Shanghai International Port Group signed a multi-billion dollar deal with Jerusalem for future rights to operate the Haifa port, which hosts visits from the U.S. Sixth Fleet and joint drills between the U.S. and Israeli navies. U.S. military officials have concerns over potential Chinese intelligence operations at the port.

²⁰ See, for example, *EJIInsight* (Hong Kong), [Feb. 1, 2018](#).

²¹ Author interviews with U.S. National Security Council officials, Washington, D.C., Nov. 2018.

²² *The Jerusalem Post*, [Jan. 9, 2019](#).

²³ Angela Yu, "Chinese port operator signs deal to run Israel's Haifa port," *Journal of Commerce* (Newark), June 2, 2015.

Sixth Fleet and joint drills between the U.S. and Israeli navies. This has made the question of who operates the port a key concern for Washington, with U.S. military officials warning with growing frequency that port visits could end, or at least lessen, once China assumes control of the facility in 2021 due to concerns over potential Chinese intelligence operations.²⁴

Worrisome, too, is the absence of sufficient safeguards by which the Israeli government might regulate China's deepening presence in Israel. Because Jerusalem currently lacks formal institutions (like the interagency Committee on Foreign Investment in the United States, CFIUS) to vet and oversee foreign investments in sensitive national sectors, officials in Washington worry that Beijing's activities are not being properly scrutinized or controlled.²⁵

The potential ramifications are profound. China's growing stake in Israel represents a double-edged sword for the Jewish state—one that, if not properly regulated and overseen to Washington's satisfaction, could adversely affect the vibrancy of its strategic partnership with the United States, and even curtail future cooperation between the two countries.

China's outreach to the Middle East has also had the effect of muting regional attitudes toward the PRC's own domestic



Police respond to a protest by Uighurs in China's Xinjiang region, 2016. Beijing has launched a campaign to pacify the Uighur Muslim minority in its western province. Muslim nations have remained silent, worried that criticism of the Chinese policy might upset their extensive economic and trade ties with Beijing.

practices—in particular the officially-sanctioned repression of its Muslim population. Over the past three years, Beijing has launched an extensive campaign aimed at pacifying the Uighur Muslim minority in its western province of Xinjiang, which Chinese officials see as particularly prone to radicalization. The tactics employed by Beijing include pervasive monitoring, curbs on Islamic traditions, and the mass detention of one million or more citizens in the equivalent of “reeducation” camps.²⁶ Via these measures, the Chinese state is attempting to repress and erase the Muslim traditions and culture of its westernmost province in a process that Chinese officials have called “harmonization” but which international observers have equated with ethnic cleansing.

²⁴ *The Jerusalem Post*, [Dec. 15, 2018](#).

²⁵ Author interviews with U.S. National Security Council officials, Washington, D.C., Nov. 2018.

²⁶ See, for example, “[An Internment Camp for 10 Million Uighurs](#),” *Meduza* (Riga, Lat.), Oct. 1, 2018.

One would expect this offensive to garner outrage among the world's majority-Muslim nations, which historically have had a deep stake and vested interest in the well-being of co-religionists abroad. That, however, has not happened. With only a handful of notable exceptions,²⁷ Muslim nations have remained silent, worried that any criticism of Chinese policy in Xinjiang might upset their extensive economic and trade ties to the PRC. Indeed, when the region's most influential leaders have chosen to weigh in on China's anti-Muslim offensive, they have done so in support of Beijing, rather than in opposition to it. Thus, in February 2019, Saudi crown prince Mohammed bin Salman publicly argued in favor of the PRC's right to carry out "anti-terrorism" and "de-extremism" measures—an explicit endorsement of China's Xinjiang campaign.²⁸ Turkish president Recep Tayyip Erdoğan similarly soft-pedaled China's Xinjiang detention centers during a summer 2019 visit to Beijing, saying it was possible to "find a solution to this issue that takes into consideration the sensitivities of both sides."²⁹ This muted criticism of Chinese policies in Xinjiang likely has a great deal to do with a recent surge of Chinese investment directed at Ankara, which comes at a time of significant Turkish economic turmoil.³⁰

The result is tantamount to an abandonment of China's Muslims by their Middle East co-religionists for economic

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reasons. The signal sent to Beijing is that the PRC's domestic policies, no matter how repressive, will be considered off limits for criticism or inspection so long as the

price is right. That, in turn, is likely to fuel further Beijing's current offensive of forcing assimilation and subservience among its Muslim minority by any means necessary.

Arguably the most profound effect of China's expanding presence in the Middle East, however, has been its adverse impact on governance throughout the region. Today, the digitally enabled authoritarianism that China's government has used to great effect to reshape its own society in a more rigid, censored, and compliant direction has begun to proliferate in the countries of the Middle East (in much the same way as it already has in other parts of the world, such as Latin America).³¹

Most blatantly, Chinese companies have long helped Iran's clerical regime to repress its own people. Following 2009's Green Revolution, for example, Tehran turned to Chinese telecom giant ZTE to provide sophisticated surveillance technology for domestic applications—assistance that has aided the efforts of Iran's rulers to censor, curtail, and monitor the communications of the country's captive population in the years since.³² Another Chinese tech conglomerate, Huawei, has also been identified by the U.S. government as engaging in such questionable commerce with Iran and doing so in violation of U.S. sanctions.³³

²⁷ See, for example, CNN, [Feb. 10, 2019](#).

²⁸ *Al-Jazeera* (Doha), [Feb. 23, 2019](#).

²⁹ CNN, [July 5, 2019](#).

³⁰ *Daily Sabah* (Istanbul), [June 30, 2019](#).

³¹ See, for example, Charles Rollet, "[Ecuador's All-Seeing Eye Is Made in China](#)," *Foreign Policy*, Aug. 9, 2018.

³² Reuters, [Mar. 22, 2012](#).

³³ *South China Morning Post*, [Apr. 25, 2018](#).

Nor is Iran an isolated case. Egypt has similarly allowed the PRC to obtain a major stake in its communications sector and to disseminate technologies that have strengthened President Abdel Fatah Sisi's grip on power at the expense of freedom of expression there. Thanks to Chinese assistance, Egypt is now the only other country in the world that has adopted all nine of the "key internet controls" outlined by freedom watchdog Freedom House: the blocking of platforms and content; the deliberate disruption of communications; manipulation of online discussion; the passage of new laws or directives tightening controls; the arrest, imprisonment, prolonged detention, or physical attack or harm as retaliation for political or social content; and the execution of technical attacks against critics or rights organizations.³⁴

Other regional states could soon head in the same direction. Officials in Lebanon, where China has been entrenched for half-a-decade developing the national telecom sector, are today actively courting greater Chinese investment and involvement with all that this portends.³⁵ Simultaneously, Chinese firms like Huawei and Hikvision are busy marketing biometric surveillance systems throughout the Persian Gulf where they are meeting with tremendous commercial success.³⁶

These trends heighten fears that China's tech giants will inevitably help to empower

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and improve the repressive practices of the region's autocrats. For, as China's engagement with the region expands, so too will the availability

of the means by which Beijing has managed to so successfully control and manipulate its own population.³⁷ The "China model" of social control could thus easily become an export commodity in Beijing's dealings with the Middle East—much to the detriment of prospects for pluralism and democracy in the region.

Beyond Economics

None of these trends are formally acknowledged by China's leaders, of course. To the contrary, officials in Beijing have taken pains to stress that their country's deepening involvement in the Middle East is focused solely on development, rather than on reshaping regional politics. Indeed, in his 2016 address to the Arab League, President Xi himself explicitly emphasized that his government was not attempting to carve out a "sphere of influence" in the Middle East.³⁸ And at first blush, China's regional involvement does indeed seem to be nothing more than, as some observers have put it, "speak softly and carry a large purse."³⁹

Upon closer examination, however, it is abundantly clear that, in spite of Beijing's

³⁴ *China Digital Times* (Berkeley, University of California), [Nov. 5, 2018](#).

³⁵ Xinhua News Agency (Beijing), [Mar. 7, 2019](#).

³⁶ *Buzzfeed* (New York), [May 29, 2019](#).

³⁷ *The Globe and Mail* (London), [Jan. 3, 2018](#); *Bloomberg News* (New York), [Nov. 21, 2018](#); *The Independent* (London), [Nov. 22, 2018](#).

³⁸ *Buzzfeed*, [May 29, 2019](#).

³⁹ Ehud Yaari, "China's Middle East Policy: Speak Softly and Carry a Big Purse," *Policywatch* 3139, Washington Institute for Near East Policy, Washington, D.C., June 17, 2019.

assurances, China's regional involvement is far from benign. Instead, it holds the power to alter alliances, political discourse, and even domestic freedoms throughout the region—and to do so in ways that will profoundly impact the region itself as well as its relationship with the world in the years ahead.

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