

# THE JAMES A. BAKER III INSTITUTE FOR PUBLIC POLICY OF RICE UNIVERSITY

## ENERGY SECURITY: IMPLICATIONS FOR U.S.-CHINA-MIDDLE EAST RELATIONS

CHINA VS. US: A VIEW FROM THE ARAB WORLD

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Today I will be speaking about the Arab world's perception of the US-Chinese rivalry in the Middle East. These perceptions are governed by Arab desires and wishes for a counter force that balances US predominant influence in region. Key factor on this is the general analytical confusion that dominated the Arab world after the collapse of the Soviet Union. In their discourse, Arabs seem frightened by the prospect of a unipolar one led by the United States that is moving against the interests of the Arab world. This system, in their views, is in need of a "redeemer" who can balance against the US power and re-establish the role that the Soviet Union once held prior to its fall.

In simple terms, ever since the collapse of the Soviet Union, Arab governments have been in search for a balancer for the overwhelming US presence in the region, especially after the Gulf war of 1991. For the first time, American troops were seen on the ground all over the Gulf, in Saudi, Bahrain, Qatar and Kuwait. The collapse of the USSR in a way threw the Arab world off. Nobody knew what to make of this new world order. Meanwhile, the emergence of China, the European Union and Japan gave plenty of room for creative ideas on how the United States can be balanced. Within those ideas lies a desire for China to balance against the policies of the US in various areas ranging from oil policies to Arab Israeli-conflict to Reform. These themes governed the way Arabs saw China and the Chinese role in the region. Most of these views have been limited and in many instances un-analytical. As I analyze the debate on Chinese-American rivalry in Arab discourse, it becomes obvious that the paradigm that governed their analysis of the role of the Soviet Union in the Middle East is the same one that govern their debate on China. They mainly substituted china for the USSR and the same analysis goes on. Of course other powers have been discussed as a potential balancers to the US in the region. This included a debate that dominated in the 1990s about the role of Germany and Japan to keep US power in check. This debate shifted to a debate about role of the European Union since the year 2000, but this is beyond the scope of this presentation.

There is little doubt that the growing diplomatic profile of China in the Middle East over the years has received much attention from opinion shapers in the Arab world. The Arab perception of the extent and nature of the Chinese role in the Middle East, however, seems much closer to what the Arab world wishes this role could become than to the actual reality on the ground. This paper begins with a very short historical overview of Chinese-Arab relations. This is followed by an examination of how the Arab world perceives China's role in Arab world, particularly vis-à-vis the growing US dominance in the region.

#### **Perceptions of Chinese Role**

Chinese-Arab relations were relatively limited prior to the last decade. Arabs saw China's policy toward the Arab world as ideological aiming at showing solidarity with the third world countries and national liberation movements. Arab-Chinese relations dated back to the 1950s when Arab countries were first to recognize the People's Republic of China, and supported Chinese claims for a Security Council seat at the United Nations. However, Chinese active involvement in the affairs of the region did not commence until the 1980s, when it sold ballistic missiles to Iran and Iraq during their war, in addition to selling long range CSS-2 missiles to Saudi Arabia.

With the end of the Cold War and with the country's economic ascendancy, Chinese objectives in the Middle East during the past decade shifted from a focus on solidarity with third world causes to a more active agenda. This agenda is dominated by energy, namely China's goal of maintaining the flow of oil and natural gas from the Middle East. It is estimated that more than half of China's energy needs by 2010 will come from oil, of which 58 percent already comes from the Middle East. This figure is expected to increase to 70 percent by 2010. Therefore, Chinese state oil companies have worked to secure equity stakes in oil and gas fields in the region. "The China National Petroleum and Chemical Corporation (Sinopec) has scored big successes in Iran and Saudi Arabia: a \$100 billion contract with Iran to buy 10 million tons of liquefied natural gas (LNG) per

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year over 25 years, and a 50 percent stake in the Yadavaran oilfield; not to mention a contract to explore and produce natural gas in the Rub al-Khali Basin in Saudi Arabia. The China National Petroleum Corporation (CNPC) continues to invest heavily in Sudan's energy sector, which it entered in 1995. Moreover, Sinopec, CNPC and the China National Offshore Oil Corporation (CNOOC) have secured oil import and prospecting contracts in Algeria"

China's interest in the Middle East energy sector is supplemented by greater diplomatic efforts to foster good relations with the Arab world. For example, China has been engaged in talks with the GCC to establish a free-trade zone; it announced the creation of a Chinese-Syrian oil company; and has contributed considerably to the Iraq reconstruction process. High level visits are often exchanged between China and Arab states, not to mention the frequent public statements it makes in support of the Palestinian cause.

Another implication of China's energy-related interests is a sense of discomfort with growing US presence in the region, along with US inclination to resort to unilateral action as part of the Bush Doctrine. American expansion in the Persian Gulf and Central Asia will pose a great challenge for China should a conflict between the two countries arise. Nonetheless, there is little evidence that China is actively trying to pursue a balancing policy against the United States. After all, the status quo seems conducive for China's main interest: access to the region's energy resources. Nonetheless, China has shown willingness to oppose—not to be confused with active balancing—American policies as it did in 2004 when it threatened to veto a US proposed resolution to impose sanctions on Sudan or when it signaled opposition to America's efforts to refer the issue of Iranian nuclear capability to the Security Council. However, nothing indicates that this opposition could be translated into an America-Soviet-style rivalry any time in the near future.

### China and Arab opinion shapers

With those realities in mind, I will begin speaking about how China's global and Middle East role has been discussed in the Arab world, particularly in the media. There are four main areas through which this role is analyzed by Arab opinion shapers: (1) Arab-Israeli dispute; (2) energy; (3) reform in the Arab world; and (4) China's rivalry with the US.

#### China's Rivalry with the United States

The way the Chinese role in the region is perceived in the Arab world goes beyond energy interests. In covering diplomatic and economic exchanges between the Arab world and China, it is often the case that statements of respect and admiration to the Chinese role in global affairs in media forums is followed by a less than subtle suggestion that Arabs can find in Beijing a counter-weight, if not an alternative, to Washington. Following a visit by the Egyptian president to China in 2002, Nobel-prize winner Naguib Mahfouz told *Al-Ahram Weekly*: "The 21<sup>st</sup> century does not belong to the United States alone. We must understand this and diversify our sources, gleaning all the benefit that we can." Similarly, few years back an Arab League report on relations with China expressed the importance of fostering further cooperation with Beijing, given its growing political an economic prominence on the world stage.

Few years ago Kuwait had announced plans to link up the Middle East with the rest of the Asian continent by reviving the old "silk route" through the creation of railways from the Gulf to Central Asia. In fact, Kuwait had set up a committee—headed by Sheikh Nasser Sabah Al-Ahmed, the prime minister's son—to investigate the potential for such an ambitious plan.

The perceived rivalry between the United States and China is another pronounced feature we find when we look at Arab news coverage related to this issue. There is certainly a tilt toward the Chinese side, given the resurgence of anti-American feelings in the region

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following the war in Iraq and in Israeli-Palestinian violence. For instance following the US Secretary of Defense's criticism of what he views as Chinese military over-spending, Al-Ahram columnist Salwa Habeeb responded strongly in defense of Beijing. She writes, "Why did Rumsfeld turn against China despite its cooperation in counter-terrorism? Why did he turn against it when he realizes how important China can be for resolving the North Korean nuclear program crisis?...It is clear that the ascendancy of China as a regional power disturbs the United States that seems inclined to obstruct Chinese growth....Why does Washington insist on using "arm twisting" approaches with other countries, when such approach will generate only hate?"

Another Al-Ahram writer said last month that "Washington does not deny its insistence to block the path of the yellow giant, especially in light of the high exporting power that China possess at the present time, which made Chinese products fill up the sides of American and European streets." The writer goes on to argue that "Washington's concern is that Beijing does not fear rejecting Washington's monopoly over international decisions."

#### Arab-Israeli

A common theme one finds within Arab public opinion pertains to the notion that inserting China into the global power equation will bring about a victory for the Arabs against Israel, which, as you know, is often viewed as a proxy for American interests. In other words, if China could become for the Arabs what the US is for Israel, Palestine will become Arab once again. Last year, another Egyptian writer, Anouar Abdel-Malek, suggested that Arabs must follow the footsteps of China in order to resist "Zionist-American aggression." He says, "There is great potential here and in Asia, and this potential does not have to remain unexplored. If we want to survive the Zionist-American quest we have to reformulate our own." Abdel-Malek also spoke in admiration of China's success in rising up against "the intrusion of European more than once."

On the other hand, there is an element of discomfort in Arab attitudes toward China's relations with Israel, but this is usually alleviated by strong, albeit symbolic, Chinese statements of support to the Palestinian cause. Al-Jazeera's coverage of Chinese-Israeli relations over the past year was more focused on its implications on Israeli-US ties than on China's position in the Arab world. For example its reports emphasized the theme of Israel betraying its special friendship with Washington in favor of supplying China with weapons in light of a recently-uncovered deal. In other words, the negative coverage is directed against Israel and not China. Another report in the Pan-Arab daily newspaper *Asharq Al-Awsat* focused on rumors that Israel offered Washington to cancel its arms sales deal with China if the US would reduce its arms supply to Saudi Arabia and Egypt.

The main point here is that china is becoming a very central point of debate in Middle East politics. Sometimes this is done because of An Arab desire to see a Chinese role in the Middle East, other times magnifying the Chinese role in the Middle East is used to express Arab anger at US policies in the region.

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