Political Unrest in the Middle East and North Africa: China’s Foreign Policy toward Unstable Regimes

Date: May 2011

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Background Brief: Political unrest in the Middle East and North Africa: China’s foreign policy toward unstable regimes

Executive Summary

While China's vote in favour of UN Resolution 1970 and abstention on Resolution 1973 are widely perceived as a positive reaction to calls for it to become a responsible stakeholder of the world, it is in fact reflective of China's political savvy. China's calculated response to the revolutions in Tunisia and Egypt and the civil war in Libya has ensured that none of its key interests are threatened, it was not called upon to utilise extensive resources to resolve the conflicts, it did not have to deplete diplomatic capital resisting Western pressure for intervention, and it is well-placed to cultivate good relations with ensuing regimes in the regions.

China's reaction to the political unrest in the Middle East and North Africa ought to be analysed in the context of its recent foreign policy, which has been defined by the tension between its desire to enhance its status as a world power and its fear of promoting multilateral interventions in domestic conflicts and human rights issues as an international norm. The overarching objective of its foreign policy continues to be the maintenance of global conditions that are conducive to sustaining its economic growth.

China is unlikely to drastically alter its foreign policy toward unstable regimes for several reasons. First, countries with unstable regimes are usually found in regions which are not dominated by Western countries - this thus leaves China the room to carve out its own political and economic space. Second, China's strong relations with these regimes give it political leverage with Western countries. Third, if these countries have vital resources needed by China, these economic interests will usually trump other concerns. China has not reacted strongly to the political unrest in the Middle East mostly because its largest trade partners in the region are Saudi Arabia and Iran, both of which are relatively unaffected by the turmoil. China's goal is to strike a delicate balance between maintaining stability in volatile regions, while not supporting the 'norm' of regime change brought about through foreign intervention. China's foreign policy toward unstable regimes will continue to be premised upon economic interests and preservation of non-Western ideological influence.

There are several targeted areas that the EU should focus on to steer China's foreign policy toward unstable regimes in a more constructive direction. First, engage China in volatile regions through focusing on common strategic interests. These include maintaining regional stability, curbing Islamic terrorism and ensuring access to key resources. Second, the engagement of China in these regions needs to take place in parallel with measures that counter China's negative rhetoric against policies adopted by Western countries and China's free-riding behaviour. Third, sanctions imposed in these regions should focus on areas of investment that China cannot easily move in to replace. Fourth, targeting China directly and pressurising China into action through overt public gestures or statements generally achieves the opposite effect due to China's emphasis on not 'losing face'. A more effective way is to work on China's support base of developing countries.
Main points

- China’s decision to vote in favour of UN Resolution 1970 and abstain from Resolution 1973 is reflective of China’s political savvy
- China maintains a desire to enhance its status as a world power. The overarching objective of its foreign policy continues to be the maintenance of global conditions that are conducive to sustaining its economic growth
- China is unlikely to alter its foreign policy toward unstable regimes because:
  - The absence of Western influence in many unstable regimes may give China greater opportunity to dominate the economic and political space
  - China’s relations with unstable regimes allow it some leverage with Western states
  - The resource-rich nature of many states in the Middle East and North Africa mean that China’s economic needs will take precedence over other concerns
- China must strike a balance between maintaining stability in the Middle East and North Africa while not supporting the ‘norm’ of regime change brought about through foreign intervention
- The EU should use common strategic interests to engage China in volatile regions, e.g. efforts to curb terrorism; it should discourage China’s negative rhetoric toward foreign intervention; it should not impose sanctions in areas that China could readily move in to replace; it should pressurise China into action in a way that does not result in China ‘losing face’
1) Introduction: Chinese Reaction to Political Unrest in the Middle East and North Africa

The political unrest in the Middle East and North Africa in recent months has been a test of China's staunch principle of non-interference in another country's domestic affairs. As a country on the receiving end of sanctions, e.g. the various arms embargoes imposed after 1989 and the unrest that followed, China has always been critical of any coercive measures designed to alter the domestic politics of another country. However, in February 2011, China voted in favour of UN Resolution 1970 authorising sanctions against the Libyan government. The following month, China also chose not to veto UN Resolution 1973, imposing a no-fly zone in Libya, the freezing of Qaddafi's assets and the referral of Qaddafi to the International Criminal Court. While this is widely perceived as a positive reaction to calls for China to become a responsible stakeholder of the world, it is in fact reflective of China's political savvy. China's calculated response to the revolutions in Tunisia and Egypt and the civil war in Libya has ensured that none of its key interests are threatened, it did not have to exhaust extensive resources to resolve the conflicts, and it is well-placed to cultivate good relations with ensuing regimes in the regions. More specifically, in the case of Libya:

- By voting in favour of sanctions against Libya but abstaining from voting on military action, China projected the image of a responsible global power, continued to have the support of the Arab League and African Union, and did not exhaust diplomatic capital while resisting strong Western pressure for intervention
- China got to free-ride on the NATO-led operation while it has largely been the US and Europe which have shouldered the costs of restoring stability to a region that is also strategically important for China.
- The Chinese government seized the opportunity to gain positive ground with its domestic populace through the successful and efficient evacuation of 36,000 Chinese civilians and more than 2,000 civilians from other countries from Libya. The operations were carried out with extensive and high-profile domestic media coverage and employed advanced military naval frigate and military planes, in a showcase of China's military advancement.
- China's abstention on Resolution 1973, while clearly a form of silent consent, still leaves it enough space to adopt the moral high ground and chastise the West should the military operation falter or garner an unpopular reaction.

The Chinese government has been quick to establish ties with the new governments in Tunisia and Egypt. In March 2011, the Ministry of Commerce announced a USD7.6 million aid package for the two countries, consisting of cash and relief supplies. In the same month, Vice-Foreign Minister Zhai Jun visited Tunisia and Egypt, and also Algeria and Saudi Arabia. It is clear that China's chief focus in the aftermath of the revolutions has been to ensure continuity of good diplomatic ties and, by extension, continued access to resources in the region. Part of this is achieved by China emphasising that it is against the principle of interference in domestic politics and is committed to peaceful means of conflict resolution; this lies in contrast with the military intervention by the West which has garnered a mixed reception in the region.

2) Main Characteristics of Recent Chinese Foreign Policy

China's reaction to the political unrest in the Middle East and North Africa ought to be analysed in the context of its recent foreign policy, which has been defined by the tension between China's desire to enhance its status as a world power and its fear of promoting the norm of multilateral interventions in domestic conflicts and human rights issues. The overarching objective of its foreign policy continues to be maintaining global conditions that are conducive to sustaining its

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economic growth. This means preserving good relations with as many countries as possible, whatever their political complexion.

Greater Focus on Global Image

China is often at the centre of global attention due to its rapid economic growth and status as the country with the world’s second largest GDP, its sizeable military expenditure, human rights record and its links with authoritarian regimes, such as North Korea and Iran. China’s visibility is augmented by its increased voting rights since 2010 in the World Bank and the IMF, and it currently holds the rotating presidency of the UN Security Council. Its broadening geographical spheres of strategic interests and influence have also led to greater demand for global responsibility. As noted by a commentary in the state-run paper *Global Times* "Having been victimised by interference of Western countries in its own internal affairs, China views non-interference as a kind of defence. China is very cautious and self-disciplined about wielding its political influence in smaller countries. Yet the world is changing as are expectations about China’s behaviour." China’s vocal defence of absolute state sovereignty has undermined endeavours in many areas of cooperative global action. The extensive efforts made to project positive images of China during the Beijing Olympics, Shanghai Expo and Beijing’s charm offensive during Hu Jintao’s visit to the US in January 2011 (which included a publicity blitz at Times Square) are indicative of the fact that China is paying greater attention to its global image. Currently, China sends more peacekeeping troops overseas than any other permanent member of the UN Security Council. Starting in January 2009, China has also deployed naval ships to the Gulf of Aden to help in the fight against piracy. China has put a positive spin to its associations with authoritarian regimes by taking part in the EU3+3 talks with Iran and the Six-Party talks with North Korea. China’s decision to vote in favour of sanctions against Libya is consistent with the evolution of the direction of its foreign policy, as it becomes increasingly conscious of the perception of its international role.

Advocacy of the UN as the Chief Mechanism to Resolve International Issues

China continues to be a strong advocate of the UN mechanism primarily because the UN is seen as a vehicle to check US unilateralism and because China’s permanent seat in the Security Council allows it to wield a significant degree of power. In addition, the strong support given to China by developing countries in the UN helps China to fend off Western pressures, particularly on human rights issues. Since the inception of the UNSC, China has exercised its veto only six times:

<table>
<thead>
<tr>
<th>Date</th>
<th>Country Concerned</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 November 2008</td>
<td>Zimbabwe</td>
<td>Resolution to condemn violence by the government of Zimbabwe against civilians</td>
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<tr>
<td>1 December 2007</td>
<td>Myanmar</td>
<td>Condemnation of Myanmar Regime</td>
</tr>
<tr>
<td>25 February 1999</td>
<td>Macedonia</td>
<td>Resolution to extend UNPREDEP in the former Yugoslav Republic of Macedonia</td>
</tr>
<tr>
<td>1 October 1997</td>
<td>Guatemala</td>
<td>Resolution to authorise 155 observers to verify ceasefire agreement in Guatemala</td>
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<tr>
<td>1972</td>
<td>Middle East</td>
<td>Violation of Ceasefire 1967</td>
</tr>
<tr>
<td>1972</td>
<td>Bangladesh</td>
<td>Application for Membership</td>
</tr>
</tbody>
</table>

Judging by its past voting behaviour, China generally prefers to abstain from - rather than veto - resolutions not directly related to its strategic interests. The vetoes on Macedonia and Guatemala were due to their establishment of diplomatic relations with Taiwan. In November 1990, Beijing abstained from the Resolution 678 vote that authorised the use of force against Iraq, but in 2007, vetoed a resolution condemning the Myanmar regime. This can be partially explained by the fact
that the use of force against Iraq is justified on the grounds of Iraq’s invasion of Kuwait. China’s vetoes on Zimbabwe and Myanmar can also be attributed to Beijing’s fear of setting a precedent in interference in domestic politics, which might at some point be directed against China. But in the case of Libya, it was becoming apparent that Qaddafi’s regime was no longer sustainable, and most crucially, China’s decision to vote in favour of sanctions had the support of the Arab League and the African Union.

**Primacy of Economic Interests**

While China is becoming more aware of the importance of projecting a favourable global image, the key priority of China’s foreign policy continues to be its economic interests. Sustained economic growth is vital for China for many reasons. Although China is now one of the world’s largest economies, GDP per capita (both nominal & purchasing power parity) remains low, and in IMF 2010 rankings, China is ranked 94th. There is great income disparity within China, which has a gini coefficient of 0.47, above the warning level of 0.4. The Chinese Communist Party appears to believe that sustained economic growth is necessary to maintain social stability and to keep the Party in power, and increased economic weight also confers upon China greater political might in the international arena.

**3) China’s Strategic Interests in the Middle East and North Africa**

**Economic Interests**

The Middle East and North Africa are rich in energy resources and minerals. The two regions are also key components of China’s strategy to increase investment abroad and diversify away from an overly export-dependent economy. China is now the world’s largest consumer of copper, tin, zinc, platinum, steel, and iron ore, and is among the largest consumers of aluminium and lead. China is now the second largest consumer of oil. It accounts for 40% of global growth for demand in oil, and imports 60% of its oil from the Middle East. Confronted with an increasingly unstable international energy supply market, China has deepened ties with Saudi Arabia, Kuwait, Iran, Syria, Sudan and Algeria in order to secure energy supplies for its growing economy. State-owned oil companies China Sinopec Corporation and China Petroleum and Chemical Corporation have signed deals with Saudi Aramco, Kuwait Petroleum Corporation, among others. China has signed multi-billion deals with Iran in oil, natural gas and minerals. Beyond the key trade in energy and minerals, China’s merchandise trade with the two regions has increased ten-fold over the past nine years.

**China’s Merchandise Export by Region 2001-2009 (Billion Dollars)**

<table>
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<tr>
<th></th>
<th>2001</th>
<th>2002</th>
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<th>2006</th>
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<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East</td>
<td>7.1</td>
<td>9.5</td>
<td>13.3</td>
<td>16.9</td>
<td>22.2</td>
<td>29.6</td>
<td>44.3</td>
<td>58.8</td>
<td>51.1</td>
</tr>
<tr>
<td>Africa (exc. South Africa)</td>
<td>4.8</td>
<td>5.6</td>
<td>8.1</td>
<td>10.7</td>
<td>14.7</td>
<td>20.4</td>
<td>29.3</td>
<td>41.9</td>
<td>39.0</td>
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**China’s Merchandise Import by Region 2001-2009 (Billion Dollars)**

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</tr>
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<tbody>
<tr>
<td>Middle East</td>
<td>9.2</td>
<td>9.5</td>
<td>14.4</td>
<td>21.6</td>
<td>31.0</td>
<td>40.8</td>
<td>47.9</td>
<td>79.9</td>
<td>56.2</td>
</tr>
<tr>
<td>Africa (exc. South Africa)</td>
<td>3.6</td>
<td>4.2</td>
<td>6.5</td>
<td>12.7</td>
<td>17.6</td>
<td>24.7</td>
<td>29.7</td>
<td>46.7</td>
<td>34.6</td>
</tr>
</tbody>
</table>

Source: World Trade Organization
In 2004, China and the Gulf Cooperation Council launched negotiations for a Free Trade Agreement. Negotiations included trade in services, an area that China usually protects heavily. The financial loss suffered by China due to the political unrest in the Middle East and North Africa, are indicative of the increasing importance of the regions for China economically. While China does not have strong economic links to Tunisia, its trade with Egypt amounted to $6.9 billion in 2010. According to China’s Ministry of Commerce, there are 75 Chinese enterprises with investments in Libya, operating 50 joint projects (mostly in infrastructure, utility and transportation) and 13 of those firms are State-owned. The China Railway Construction Corporation reported that it had to leave $4.24 billion worth of unfinished projects in the country after evacuating Chinese civilians. Clearly, China has vested interests in keeping the region stable, though this does not necessarily mean a willingness to shoulder responsibility, especially when there is the option to free-ride on Western countries.

Regional Stability & Geopolitical Leverage

Outside of its strategy to strengthen economic and energy ties to the oil-rich countries of the Arabian Peninsula and the greater Middle East, China is also geographically reliant on countries in the region, for example, to protect vital shipping channels, like the Somali coast which connects Europe to Asia and the Middle East. China’s careful development and preservation of good relations with virtually all the countries in the two regions mean that it has yielded diplomatic and economic returns. Efforts to foster stronger relations include the China-Arab Cooperation Forum and China-African Cooperation Forum. African countries have proven to be important allies of China, providing it with strong support in the UN. Some of the Middle Eastern countries are looking to China to counter the dominance of the US in the region and have welcomed a stronger presence for it there. China is aware that its increasing level of influence in the regions confers the advantage of greater bargaining power with the US and the EU, which also have vital strategic interests there.

Ideology

The recent financial crisis is seen to have discredited Western models and partly vindicated the Chinese experience of economic growth without significant political liberalisation and the "Beijing Consensus", which emphasises alternative economic development models for emerging economies that are not primarily based on Western norms. However, the political unrest in the Middle East and North Africa appear to signal the triumph of Western political ideology. This is especially striking in the case of Tunisia which had a similar model of autocratic government and market economy like China. China is wary that Western intervention in the political turmoil of the two regions is designed to incite regime change and to project its liberal, democratic ideology. More importantly, China is worried about this contagion for political change spreading to its own domestic populace, where there are discontents ranging from problems of widening income disparity to infringement on individual rights and problems of unemployment. In order not to appear inconsistent with its usual stance in favour of non-intervention, China has used its media to level heavy criticism against the ensuing military action. Wu Sike, China’s envoy to the Middle East and a member of the National Committee of the Chinese People’s Political Consultative Conference (an advisory body to the government and CCP) stated that "The US' values and interests clashed (in the regional chaos in the Middle East) this time, and it chose to protect its interests". In March 2011, the state-run People’s Daily newspaper ran an article with the headline "Attack on Libya Exposes the Real US", with overt disparaging remarks about the operation "when it comes to its strategy for the Middle East and North Africa, national interests outweigh morality....the US manipulates democratic values as a means to realizing its self-interest." Another commentary in the same newspaper stated that "It should be seen that every time military means are used to address crises, that is a blow to the United Nations Charter and the rules of international relations”. Other articles include statements such as “Coming after the Afghanistan war and the Iraq war, the military attack on Libya...
is the third time this century that certain countries have used force against a sovereign nation” and that the unrest in Libya was “partly a result of political incitement from Western countries.” The Chinese media’s coverage of the revolutions has primarily focused on highlighting the turmoil and instability brought about by the revolution.

4) Future Direction of Chinese Foreign Policy toward Unstable Regimes

Despite the financial losses sustained due to the political unrest in the Middle East and North Africa, China is unlikely to drastically alter its foreign policy toward unstable regimes for several reasons. First, countries with unstable regimes are usually in regions that are not dominated by Western countries; this thus leaves China the room to carve out its own political and economic space. Second, China’s strong relations with these regimes give it political leverage with Western countries. Third, if these countries have vital resources needed by China, economic interests usually trump all other concerns. China’s stance against sanctions also allows it to move into the industries vacated by Western companies due to sanctions, as seen in the case of Iran. China has not reacted strongly to the political unrest in the Middle East mostly because its largest trade partners in the region are Saudi Arabia and Iran, both of which are relatively unaffected in the turmoil.

China’s goal is to strike a delicate balance between maintaining stability in volatile regions, while not supporting the ‘norm’ of regime change brought about through foreign intervention. China’s foreign policy toward unstable regimes will continue to be premised upon economic interests and preservation of ideological influence.

5) Conclusion & Policy Recommendations

In view of the above analysis, there are several targeted areas that the EU should focus on to steer China’s foreign policy toward unstable regimes in a more constructive direction. First, engage China in volatile regions. With increasingly significant economic investments in many of these regions, China has a great incentive to maintain their stability. For instance, China has invested $3.5 billion in the Aynak Copper field in Afghanistan and has offered huge sums of resource-backed development loans in Africa; this means that China now has vested interest in the long-term stability of these countries. Cooperation with China in volatile regions could also be built through highlighting common interests. China has strong strategic interest in curbing Islamic terrorism in Afghanistan due to its sizeable Muslim population of 30 million, and the 12 million Muslims in Xinjiang (which shares a border with Afghanistan) - some of the more radical elements of whom are pushing for a separatist movement. Second, the engagement of China in these regions needs to take place in parallel with measures to counter China’s negative rhetoric and free-riding behaviour. China’s efficient and impressive evacuation of its Chinese civilians from Libya shows its capability to engage in swift long-range operational deployment. China has also built up extensive experience through peace-keeping operations with the UN. While China’s diplomatic principles of non-intervention will not permit it to intervene in any country militarily, China could be called upon for humanitarian operations. Engagement with China also needs to focus on concrete overlapping strategic interests and not differing ideologies. Third, sanctions imposed in these regions should focus on areas of investment that China cannot easily move in to replace, for instance sectors which require precision engineering and high technology. This would prevent China from undermining sanction efforts, in order to advance its economic interests. Fourth, rather than ‘shaming’ or pressurising China into action through overt public gestures or statements - which generally achieves the opposite effect due to China's emphasis on not 'losing face' - a more effective way is to work on China’s support base. For instance, China’s decision not to veto Resolution 1973 is largely attributed to assent from the African
The strongest support for China, seen most evidently in the UN, stems from developing countries; policies adopted by the EU thus need to counteract China’s tendency toward leveraging upon the North-South divide, or neo-colonialist fears. The case of Libya has shown that it is possible for China to move from a blanket "non-interference" policy, to one based on a case-by-case consideration, and this is a positive development in Chinese foreign policy that should be encouraged. While China often maintains a strong stance on its policy, it generally avoids being isolated on major global issues. Therefore, working to ensure the other main parties are in agreement on key decisions is instrumental in bringing China on board.