



Can China be a Regional Stabilization Force in a Post-Conflict Middle East?

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Abstract

China is playing an increasingly important role in the Middle East region's economic and security landscape through its Belt and Road initiative, or BRI. In turn this may provide scope for innovative approach to diplomacy and economic cooperation, given China is a wild card and a blank canvas on which regional countries can project their aspirations for a different type of great-power relationship. By creating economic value and boosting geopolitical relations in the region. Beijing's economic involvement via the BRI has the potential to transform Middle East's trade, infrastructure, regional relationships, as well as provide new security and stability. The convergence of the Middle Kingdom and its Middle Eastern partners can thus serve as a powerful transformative force in this region, and help pave the way towards post-conflict peace and stabilization.

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Analysis

China is rising as a new extra-regional power in the Middle East. In a way, it is a wild card and a blank canvas on which regional countries can project their aspirations for a different type of great-power relationship. It has no historical or colonial baggage unlike the West, and it does not moralize for others to conform to the superiority of China's ideology or culture with its non-interference principle. The Belt and Road initiative, or BRI, is promising deeper Chinese engagement with the region, so Beijing will play an increasingly important role in the Mideast region's economic and security landscape. As such it is worth exploring how this may provide scope for innovative approach to diplomacy and economic cooperation in this conflict-prone region.

This paper will first outline China's interests and its increasing economic investments in the Middle East. It will then examine how the challenge of terrorism and regional instability is threatening its BRI vision and provoking a more proactive Chinese diplomatic and security posture, and conclude with how China's rising role presents an opportunity for regional actors to leverage the BRI as a catalyst towards solutions for regional conflicts. While the BRI is not a substitute to political solutions, it could perhaps create a friendlier environment and conditions to facilitate the arrival of these solutions in the region.

I. China's Mideast interests and economic investments

Very briefly, China's interests in the Mideast are threefold. It is firstly a source of energy, with more than half of China's crude imports coming from the Mideast. It is also a hub for market access in Europe and Africa, and a forward front for counter-terrorism. The presence of ISIS and Al Qaeda groups including anti-Chinese Uyghur militants poses a security challenge to China's growing portfolio of overseas citizens and assets.¹

Economically, China's objective is to build and manage supply chains among Belt and Road Initiative countries which cover 65 countries, 60% of global population, with an estimated \$5 trillion investments over the next five years. As the world's largest trading nation and with EU as its largest export market—trade volume was at \$544.45 billion (€514.8 billion) in 2016—China is also investing in key logistics and trading hubs in the Euro-Mediterranean region in order to reduce shipping times and offset rising production costs in China.

For example, Port Piraeus in Greece is the new main entry point for Chinese goods into Europe and an important building block in the Maritime Silk Road vision, which would connect China and Europe by sea and continue via a network of railroads through the Balkans. This "land-sea express" connecting Piraeus to the Belgrade-Budapest High Speed Railway could thus reduce the time to transport goods between the Suez Canal and Western Europe by 7-11 days compared to traditional routes (See maps 1 & 2).

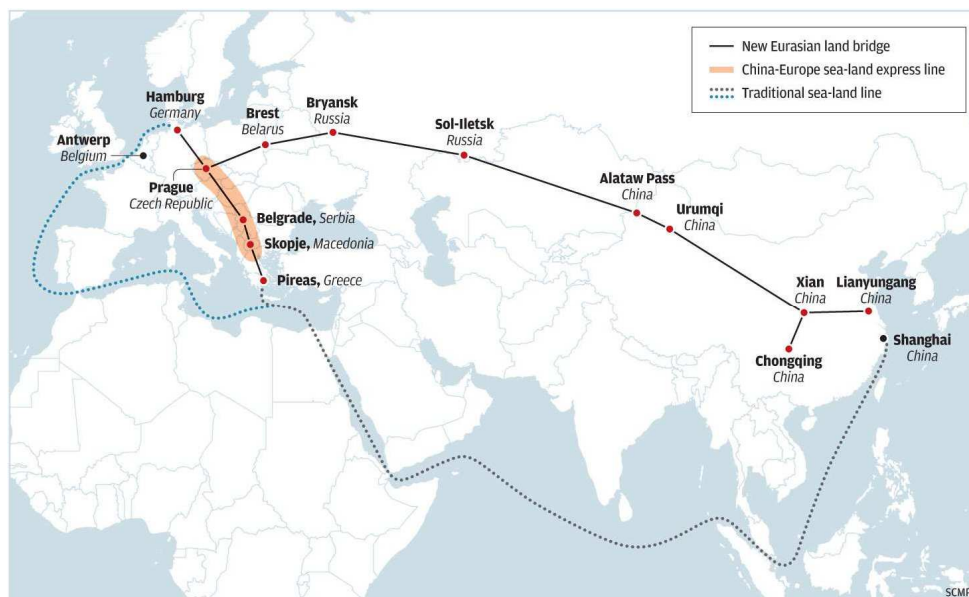
¹ China has 5 million workers abroad with about 2 million in the Mideast. Outbound tourists in 2016 reached 122 million with US\$261 billion in expenditures. http://news.travel168.net/focus_on/20170203/43145.html;
<https://www.chinainternetwatch.com/20299/china-outbound-tourism-2016/>

Map 1: China-Europe land-sea express



Source: [Xinhua](#), 18 December 2014

Map 2: land-sea express line vs. traditional sea routes



Source: [South China Morning Post](#), 23 September 2016

This shift is already tilting the economic balance among European cities. Previously, Chinese exports were shipped around Europe to ports on the northwestern coast, including Rotterdam, Antwerp and Hamburg, and finally taken by rail to inland cities. In 2012, Hewlett Packard replaced Rotterdam with Piraeus as its main distribution hub to Europe, Middle East and Africa due to the lower costs. Other companies such as Huawei, ZTE and Sony followed suit, while Dell, Lenovo, IKEA, Samsung and LG have also expressed interest in choosing Piraeus as their regional distribution center.

And Piraeus is just one of a growing number of Chinese-owned and operated ports in the Mediterranean including Algeria's Port Cherchell,² Egypt's Port Said³ and Alexandria,⁴ Israel's Port Ashdod⁵ and Haifa,⁶ Turkey's

² "China, Algeria to build mega sea port", *Xinhua*, January 18, 2016, http://news.xinhuanet.com/english/2016-01/18/c_135018002.htm



Kumport, Italy's Port Genoa⁷ and Naples, so this provides an opportunity for regional countries and China to jointly promote economic integration in the Mediterranean.

II. Security challenges to BRI

Nonetheless, China faces serious security challenges of terrorism and regional instability in the Mideast and Eastern Mediterranean segment of the BRI. For example, in 2011, China was caught off guard by the Arab Revolt and US/NATO regime change operation in Libya, which resulted in a loss of US\$20 billion in investments and the evacuation of 36,000 Chinese nationals. In Syria, the biggest threat is not the loss of investments but a safe haven for anti-Chinese militants (Turkistan Islamic Party, or TIP/ETIM) and Uyghur jihadi colonies, about 10-20,000 residing in Idlib.⁸

In Egypt, the presence of Salafi jihadists in the Sinai threatens the Suez Canal and China's COSCO container ships en route to its European market. Faced with increased military activity and ship inspections in the Canal, maritime insurance company Lloyd's List actually recommended ships take the 6,000-mile longer route around the Cape of Good Hope instead, and shipping delays and increased risk premiums are costly for China's maritime trade and economic growth, now that China has surpassed the US as the world's largest trading state and global trade is still 95% seaborne.

In response, China is diversifying and building overland networks of railroad and highways across Eurasia, including the Med-Red rail through Israel to connect the Red Sea to the Mediterranean Sea and bypass the Suez, as well as adopting a more proactive security posture to protect its overseas assets and citizens. It is establishing a naval base in Djibouti to augment its anti-piracy missions in the Gulf of Aden and UN peace-keeping operations in Africa, as well as support evacuation operations similar to the one in Libya in 2011 and Yemen in 2015. It also attempted to mediate regional conflicts by appointing a special envoy for the Syrian crisis in March 2016 and inviting both the Assad government and Syrian opposition to China (December 2015), as well as inviting President Abbas and Prime Minister Netanyahu to Beijing back in 2013. Since 2002 when the Arab Peace Initiative was established, China has also appointed a special envoy to the Middle East to address the Israel-Palestinian issue.

As China is increasing its economic and security footprint, it is becoming a *de facto* regional stakeholder for Mideast stabilization.

³ Emma Scott, "China's Silk Road Strategy: A foothold in the Suez, But Looking to Israel", *China Brief*, Vol.14, Issue 19, October 10, 2014, https://jamestown.org/program/chinas-silk-road-strategy-a-foothold-in-the-suez-but-looking-to-israel/#.VzL_d2xIOUk

⁴ "Hutchinson of China to construct container terminals in Alexandria", *Daily News Egypt*, December 23, 2006, <http://www.dailynewsegypt.com/2006/12/23/hutchinson-of-china-to-construct-container-terminals-in-alexandria/>

⁵ David Shamah, "China firm to build new Ashdod 'union buster' port", *Times of Israel*, September 23, 2014, <http://www.timesofisrael.com/china-firm-to-build-new-ashdod-union-buster-port/>

⁶ Ofer Petersburg, "Chinese company wins bid to run new Haifa port", *Ynet News*, March 24, 2015, <http://www.ynetnews.com/articles/0.7340.L-4640513.00.html>

⁷ Jack Ewing, "European Companies Turn to Chinese Investors", *New York Times*, October 21, 2014, https://www.nytimes.com/2014/10/21/business/international/european-companies-turn-to-chinese-investors.html?_r=1

⁸ In May 2017, a reporter for Dubai-based Al Aan TV aired an undercover story on Idlib province that revealed the presence of large Chinese Uyghur jihadi colonies, the outgrowth of which was supported by Turkey's Erdogan regime to breed anti-Assad jihadists. In the face of these anti-Chinese militants using the Syrian base to also launch attacks on Chinese interests, as demonstrated by the August 2016 bombing of the Chinese embassy in Kyrgyzstan, this will provoke Beijing to increase its military involvement in the Syrian war. This is a blind spot in Western calculus which is only focused on Russia. Moreover, the issue of returning foreign terrorist fighters (FTFs) especially to the Muslim province of Xinjiang poses a threat to the BRI, because it serves as the centerpiece and bridgehead for the economic "Belt" across Eurasia.

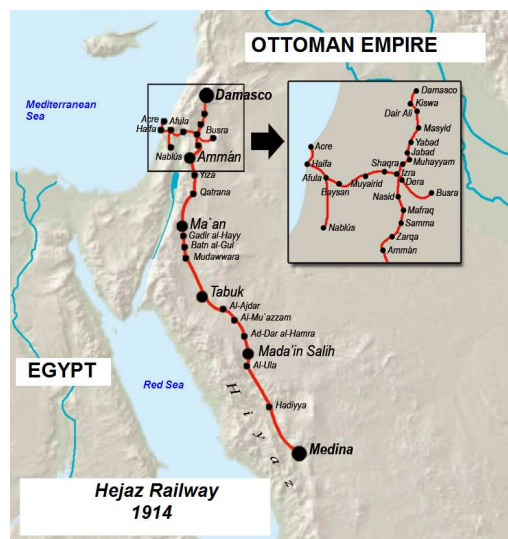
III. China's role in regional stabilization/conflict mitigation in the Mideast

In turn, this presents a unique opportunity for the US, EU and regional actors to leverage China's economic and diplomatic wherewithal as a catalyst towards solutions to long-standing conflicts in the region, whether it is the Arab-Israeli conflict, Saudi-Iran rivalry, or the Syrian crisis. For example, China can play a key role in fostering an economic ecosystem in the Middle East that could promote regional stability by linking various trading and logistic hubs.⁹ As mentioned earlier, it can promote connectivity via the various Mediterranean ports, and its growing investments in Turkey and Israel may also be utilized for broader cooperation at the regional level.

A. Jazreel Valley Railway line

One such project is the Jezreel Valley Railway line. Revived after 65 years in August 2016, cargo traveling by sea from Turkey to Haifa Port can be placed on the Jezreel line, and transported to Jordan and the broader Arab Gulf region. With China winning a tender to operate Haifa Port for 25 years, this would facilitate China to ship goods from Turkey to Jordan and onto Asia via the Red Sea or the Arab Gulf region, and vice versa.¹⁰ The recent Israeli-Turkish reconciliation, launched after six years of broken relationship following the 2010 Mavi Marmara incident, could also help in this regard.

Map 3: Jazreel Valley railway



Source: Wikipedia

B. Med-Red Railway

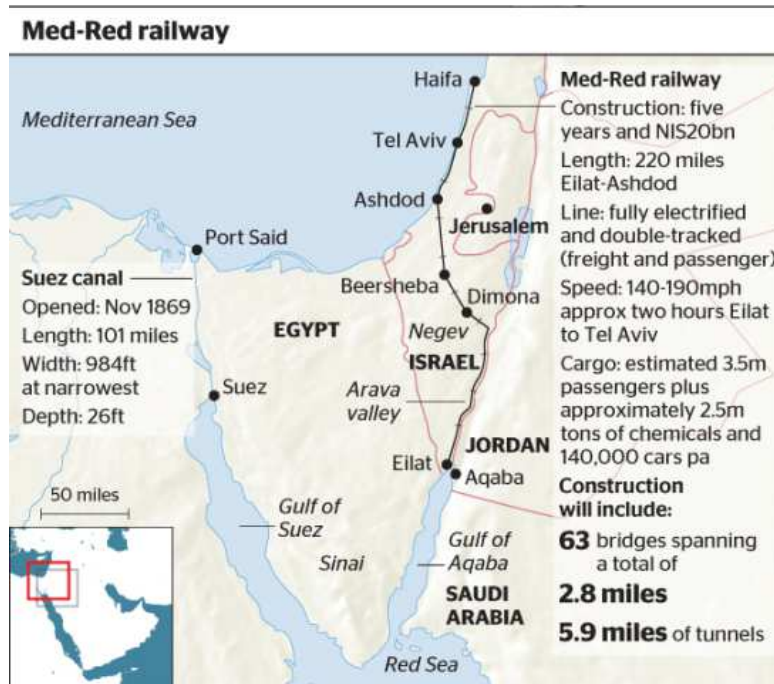
In conjunction to the Jazreel Valley Railway, the Med-Red Railway connecting Ashdod port in the Mediterranean to Eilat in the Red Sea, with extension to Jordan's Aqaba port, would further integrate economies in the Eastern Mediterranean and the Arab Gulf region. China is also enlarging Port Ashdod and hopes to construct the Med-Red railway.

⁹ Oded Eran, "Opinion: 'Belt and Road Initiative' can help slowly heal divisions in the Middle East", *South China Morning Post*, 15 May 2017, <http://www.scmp.com/news/china/diplomacy-defence/article/2093758/opinion-belt-and-road-initiative-can-help-slowly-heal>

¹⁰ Yoram Evron, "Can China Participate in Middle East Stabilization Efforts by Supporting Regional Connectivity?", *Asia Pacific Bulletin* No. 363, 6 December 2016, East-West Center. <http://www.eastwestcenter.org/publications/can-china-participate-in-middle-east-stabilization-efforts-supporting-regional>

As such the land-based trade corridor can strengthen Israel's relationship with its treaty partners Egypt and Jordan. The cargo rail line could facilitate transport between the industrial centers in the north and south, thereby increasing economic cooperation and strengthen security coordination to help maintain regional stability. Given Eilat port is not prepared to receive larger vessels (10,000-plus TEU), if the rail line is extended to Jordan's larger Aqaba port facilities, which are among the largest and most modern in the Middle East, this could involve Jordan in a project to strengthen bilateral relations and encourage Arab countries to use the Eilat port infrastructure.¹¹

Map 4: Med-Red Rail linking Ashdod to Eilat



Source: <https://arielfi.wordpress.com/2016/12/29/red-med-raidehanke-harkinnassa/>

C. Valley of Peace Initiative

The Valley of Peace initiative, launched in 2008 by the late president Shimon Peres to promote economic cooperation between Israel, Jordan and the Palestinians, via joint projects in the Arava/Arabah Valley that runs along the southern portion of the Israel-Jordan border, is another project that could benefit from Chinese participation.¹²

China traditionally has good ties with the Palestinian Authority, and on 17 July 2017, President Mahmoud Abbas visited Beijing on a four-day tour to garner Chinese political and economic support for the Middle East

¹¹ Mordechai Chaziza, "The Red-Med Railway: New Opportunities for China, Israel, and the Middle East", BESA Center Perspectives Paper No. 385, 11 December 2016, <https://besacenter.org/perspectives-papers/385-chaziza-the-red-med-railway-new-opportunities-for-china-israel-and-the-middle-east/>

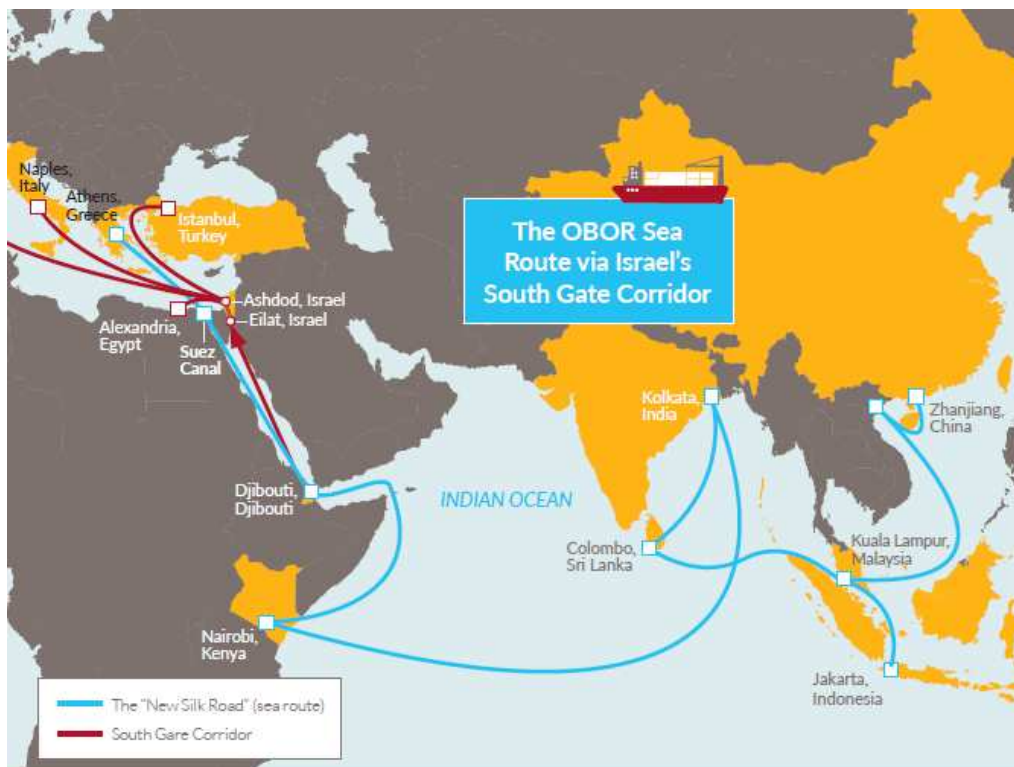
¹² <https://www.youtube.com/watch?v=E1H3SE9xUlg>; Jennifer L. Schenker, "A Mideast Valley of Peace", *Bloomberg*, 28 May 2008, <https://www.bloomberg.com/news/articles/2008-05-28/a-mideast-valley-of-peacebusinessweek-business-news-stock-market-and-financial-advice>; Uri Savir, "Israel-Palestine-Jordan economic federation can advance peace", *Al Monitor*, 31 August 2014, <http://www.al-monitor.com/pulse/originals/2014/08/economic-federation-israel-palestine-jordan-valley-abbas.html>

peace process.¹³ Since China is already investing in various infrastructure projects in Israel, Jordan and the Palestinian territories such as the Ring Road in Ramallah,¹⁴ the multi-stakeholder model of the Valley of Peace initiative could profit from synergistic cooperation with China’s BRI initiative and Asian Infrastructure and Investment Bank (AIIB) funding.

D. Israel-Gulf Economic Corridor (IGEC)

It is also within the context of the BRI and goal of broader regional cooperation that Israeli transport minister, Capt. Yigal Maor, proposed the Israel-Gulf Economic Corridor (IGEC) in September 2016 at the Herzliya conference. He believes that if China can invest in this IGEC that encompasses linking infrastructure projects in the Arab Gulf region with Israel and Jordan to transship Chinese goods, this could push Gulf countries into more formal ties with Israel. As a byproduct this could jumpstart the Arab Peace Initiative that aligns with EU and US goals in the Middle East Peace Process, with the added benefit of promoting broader regional cooperation with Turkey and EU in the Eastern Mediterranean.

Map 5: Israel and southern corridor/IGEC



Source: APCO worldwide <http://www.apcoworldwide.com>

¹³ Adam Rasgon, “Abbas looking for political and economic support in visit to China”, *Jerusalem Post*, 17 July 2017, <http://www.jpost.com/Arab-Israeli-Conflict/Abbas-looking-for-political-and-economic-support-in-visit-to-China-499977>; “China says it will host Israeli-Palestinian ‘peace symposium’”, *Times of Israel*, 18 July 2017, <http://www.timesofisrael.com/china-says-it-will-host-israeli-palestinian-peace-symposium/>; Michael Martina, “China’s Xi pledges ‘unremitting’ efforts for Middle East peace”, *Reuters*, 18 July 2017, <http://www.reuters.com/article/us-china-palestinians-idUSKBN1A3176>

¹⁴ “China to help build ring road in Ramallah of Palestine”, *Xinhua*, 1 April 2017, http://news.xinhuanet.com/english/2017-04/01/c_136177408.htm

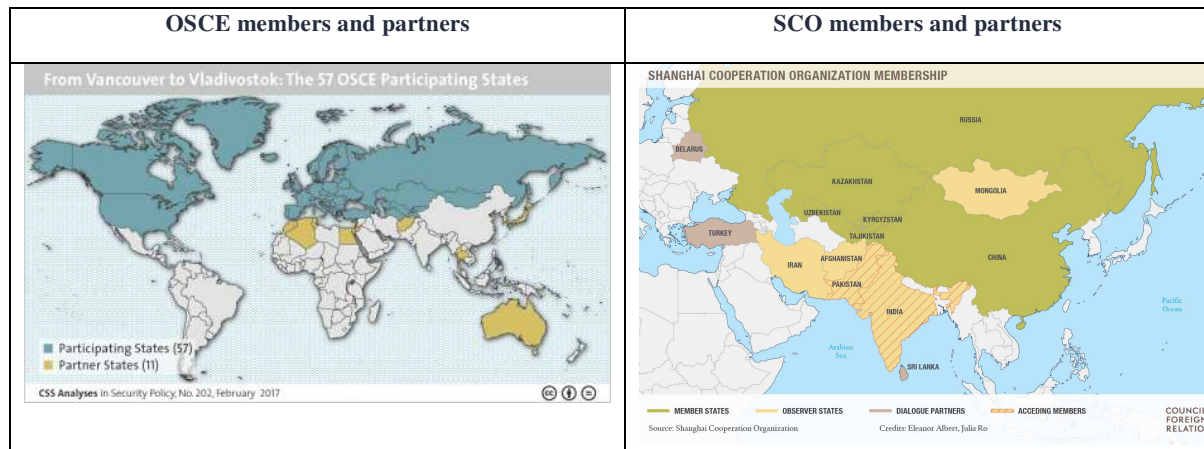
Finally, the IGEC vision can be a test case to promote concrete China-US cooperation and interdependence in the Middle East. While the US is a dominant regional power, it faces hardships in promoting regional cooperation because it is suspected of being pro-Israeli. China, on the other hand, has good relations with various regional and extra-regional actors—Israel, the Palestinian authority, Iran, Saudi Arabia, Russia, EU—and can be more successful in promoting economic-based regional cooperation but still depend on the US as a security provider. Thus, such cooperation can serve both Beijing and Washington as a case study on how China can be constructively involved in regional development and cooperation endeavors.

IV. Conclusion—OSCE as a cooperative platform to engage China

But how does one operationalize this cooperation in a broad platform that includes the US, EU, and local actors to engage China? One existing platform that has been sorely neglected is the Organization for Security and Co-operation in Europe (OSCE), and there are several reasons why it provides a timely and comprehensive approach to engage China on the BRI.

Firstly, geography matters, and the 57-member OSCE covers a similar region on the BRI across the Eurasia landmass including US, Canada, European countries, Central Asia, Russia, and Mongolia for a broad regional approach towards BRI projects. The OSCE and the China-led Shanghai Cooperation Organization, SCO, also have overlapping membership with Russia and the four Central Asian republics.

Map 6: OSCE and SCO members



Secondly, OSCE can provide a platform for renewed transatlantic coordination. It is a better platform for the US and EU to engage China post-Brexit, since it includes both EU member states and Britain, Under the German chairmanship last year OSCE was already engaging China to promote connectivity on BRI projects, and the 2017 Austrian Chairmanship priority on counter-terrorism may provide room for additional transatlantic cooperation with China. In fact, in June the OSCE Parliamentary Assembly’s President Christine Muttonen and Secretary General Roberto Montella visited Beijing to discuss economic and counter terrorism issues and future cooperation between the OSCE and SCO.¹⁵

¹⁵ “In visit to China, OSCE PA President Muttonen highlights areas of mutual interest, future co-operation”, OSCE PA Press Release, 14 June 2017, <http://www.osce.org/parliamentary-assembly/322896>



Thirdly, the OSCE also provides a platform for US-EU coordination on security issues with China. Its holistic notion of security—encompassing politico-military, economic-environmental, and human aspects—provides a suitable “playing field” for addressing a wide range of issues in a cross-dimensional manner. For example, cooperation with Beijing on counter-terrorism within the OSCE framework could open up a venue for addressing wider human rights and rule-of-law issues, which have so far been a stumbling block in EU-China cooperation in the fight against international terrorism.

Fourthly, the OSCE as a multilateral platform focused on confidence building and crisis management can engage China on issues regarding Russia, Iran, and Syria. It was initially conceived as a forum to mitigate tensions between NATO and the Warsaw Pact, and as such the OSCE may once again engage China to reduce current tensions between NATO and Russia. The US, EU, regional actors and China can also broaden their approach to address economic and security issues pertaining to Iran and Syria. This would also mirror China’s regional approach, as in the past Beijing had participated in the OSCE Mediterranean partners program (Mediterranean partners include Egypt, Israel, Jordan, Algeria, Tunisia, and Morocco) on an SCO ticket. Now that Egypt and Israel are following Turkey’s footsteps and have applied to join the SCO as Dialogue Partners, this provides an opportunity for the SCO and OSCE to coordinate on Syria and other issues in the Mediterranean.

Finally, peace and stability in the Middle East begin from the bottom up, by creating economic value and boosting geopolitical relations in the region. China’s economic involvement via the BRI has the potential to transform the Middle East’s trade, infrastructure, regional relationships, as well as provide new security and stability. The convergence of the Middle Kingdom and its Middle Eastern partners can thus serve as a powerful transformative force in a multi-*polar* and multi-*partner* world. Rather than viewing how China can supplant the US in the Middle East, the OSCE platform may be a way to incorporate China in a constructive role to supplement western efforts for Mideast stabilization and reconstruction.

Remarks: Opinions expressed in this contribution are those of the author.

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