

## CHINA

*Unease from Afar*

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The political and social turbulence in the Arab world has reverberated well beyond the Middle East, with China deeply affected by the upheavals. Over the past decade, Beijing has pursued closer relations with entrenched authoritarian leaderships in the Middle East, calculating that its interests and needs in the region would be well protected by these ties. China's increasing dependence on energy imports from the Middle East, its central role in the financing and development of major oil fields in the Persian Gulf, and the heightened investment of Chinese multinationals across the Middle East and North Africa all reflect the expanding scope of its interests. In the aftermath of the Arab Spring, China has been compelled to reexamine its policies, protecting its interests where it can while limiting the damage wherever possible. The Arab Spring has also triggered obvious comparisons to China's own internal situation, where political and social grievances continue to fester, even as anxious leaders seek to repress pressures from below. The picture for China is thus very mixed and at times very sobering, reflecting the competing factors and interests at work within the Chinese system.

China's previous policies in the Middle East were dominated by prudence and risk aversion. It cultivated ties with authoritarian leaderships and avoided entanglement in the internal affairs of regional states, accommodating to the expectations and preferences of ruling elites, especially the governments of major oil suppliers like Saudi Arabia. But the stunning developments within the region have upended China's expectations of leadership stability. China is no longer insulated from the upheavals in the Middle East, and its political and financial investments in some instances are at risk. These circumstances are a direct consequence of China's "going out" strategy, by which it has pursued trade, investment, and energy ties across the region. Indeed, the involvement of Chinese state-owned enterprises and private firms in major development projects across the Middle East increased greatly over the past decade. While China is hardly alone in confronting the upheavals of 2011, it now must weigh its interests and

future strategies in a politically and socially energized Middle East, where the ultimate outcomes are far from certain.

The civil strife that wracked Libya affords telling examples of the uncharacteristic speed and decisiveness with which Beijing had to act. Hostilities in Libya posed immediate risks to Chinese businesses and to the safety of approximately 36,000 Chinese workers in the country.<sup>1</sup> As Chinese nationals sought to flee civil strife, China undertook humanitarian operations unprecedented in its history, with the People's Liberation Army Navy undertaking its first-ever operational deployment to the Mediterranean. Beijing claims that it will uphold the principle of noninterference in the internal affairs of other states while asserting the need to protect Chinese interests. Over the longer run, it must also determine whether to enter into collaborative arrangements with other involved powers, as distinct from "go it alone" approaches geared to a narrower, self-protective conception of Chinese policy objectives.

The Communist Party leadership sees highly unsettling parallels between the Arab Spring and pressures for political change within China. Internal stability has emerged as an increasingly worrisome issue for China's leaders over the past half-decade. Societal grievances have festered and deepened and local protests across China have mushroomed, with the eminent Tsinghua University sociologist Sun Liping reporting that there were at least 180,000 such incidents in 2010 alone.<sup>2</sup> The party leadership seeks to prevent any political upsurge from below, so upheavals in the Middle East furnish an ominous precedent. Senior leaders have resorted to highly repressive measures to forestall such possibilities. The transformations under way in the Middle East have compounded the challenges to the leadership as it works through its own succession planning, scheduled to take effect in late 2012. U.S. and other Western urgings for Arab leaders to respond to bottom-up demands for political change, and in some cases to step aside, add to Chinese anxieties and suspicions about American intentions.

## CONFRONTING THE THREATS TO CHINA'S INTERESTS

Exigencies of the moment left China little time to deliberate its policy options. Immediate risks to Chinese political and commercial interests, threats to the safety of Chinese citizens, and larger concerns about the potential dangers of regional instability were all factors in Chinese decisionmaking during the Arab Spring. China's reaction to events in Egypt—the first Middle Eastern state to establish diplomatic relations with China—illustrates its displeasure with the course of recent events, but also shows its pragmatism in quickly trying to secure its interests for the future. Long before the Arab Spring, Beijing understood Egypt's pivotal strategic position in the Arab world and sought to build close ties with the Mubarak regime. Between 1999 (when China first established "strategic

cooperative relations” with Egypt) and 2009, there was a tenfold increase in Sino-Egyptian trade and the beginnings of Chinese investment in Egypt.<sup>3</sup> As Hosni Mubarak’s hold on power grew increasingly tenuous in early 2011, Chinese officials expressed open unhappiness over U.S. pressure on him to resign. But ultimately Mubarak’s vulnerabilities derived from internal circumstances, not from an orchestrated external campaign to undermine him, and Beijing did not have the means to prevent his fall from power. Following Mubarak’s resignation, China moved quickly to establish relations with transitional authorities in Egypt as well as in Tunisia. Nevertheless, the Chinese were clearly perturbed by America’s willingness to sever its ties with a leader who had supported U.S. policy goals for nearly three decades.

The potential risks to Chinese interests are even greater in Saudi Arabia, China’s leading supplier of oil since 2002. Riyadh currently provides China more than 1 million barrels per day of crude oil, or approximately 20 percent of China’s total oil imports—a more than fifteen-fold increase in absolute levels since 1999.<sup>4</sup> (In November 2009, China for the first time surpassed the United States as the leading purchaser of Saudi crude oil, though annual exports to the United States remained greater in both 2009 and 2010.) As China’s dependence on Saudi oil supplies has grown, it has solidified its relations with the kingdom. During President Hu Jintao’s state visit in early 2009, Saudi authorities pledged to meet China’s burgeoning oil import needs, which are projected to more than double between now and 2030. Riyadh thus hopes to limit Beijing’s future energy transactions with Iran, currently China’s third leading supplier of crude oil. Chinese leaders are hoping to avoid any possible disruption in energy supply; they seem confident about their deepening relationship with Saudi Arabia and (if anything) perceive an opportunity in consolidating these ties at a time of mounting friction in Saudi relations with the United States.

Chinese disquiet over abrupt change in the Arab world, however, entails more than potential threats to its crude oil imports. Internal upheaval in the Middle East has reinforced innate fears of instability within China, including the potential contagion effects of social media as a tool of mass protest. Chinese policymakers recognize that deep internal grievances and societal disaffection triggered the Middle Eastern upheavals. Though some Chinese commentators claim a U.S. “hidden hand” in the Arab Spring, numerous Chinese analysts recognize that recent events derived largely from bottom-up pressures for political change and acute dissatisfaction over economic conditions and pervasive official corruption. China’s social and economic conditions differ markedly from those in most of the Middle East, but there are obvious comparisons to political circumstances in the Arab world, in particular the Communist Party’s claim to a monopoly on political power. There have been repeated, frequently violent protests in numerous provinces in recent years, not only among alienated ethnic minorities in

Tibet, Xinjiang, and Inner Mongolia.<sup>5</sup> Senior Chinese officials insist that China will not experience its own version of the Arab Spring, arguing that social and economic conditions in China are very different from those in the Middle East.<sup>6</sup> But the leadership's major crackdowns on internal dissent highlight acute worries atop the system, including fears of comparable challenges to political authority within China.

Events in the Arab world have therefore served as a mirror of Chinese leadership anxieties, reinforcing the leadership's determination to stifle the flow of information about protests across North Africa and the Middle East. The Chinese Communist Party was not prepared to permit any public expressions of support for the Arab Spring.<sup>7</sup> Pervasive censorship quickly proved the rule of the day in Chinese media during the uprisings, including blockage of the words "Egypt" and "Jasmine" in Internet searches, and even the banning of the sale of Jasmine flowers from some locations to try to forestall any online equivalent of the Arab Spring within China.<sup>8</sup> Chinese authorities also harshly suppressed the efforts of foreign journalists (including by physical intimidation) to report on the possible effects of the revolutions in the Middle East.<sup>9</sup> The abrupt incarceration of leading human rights advocates further revealed the fears of political contagion, especially as perceived by the internal security services and the government's propaganda apparatus. But Chinese experts acknowledge that mounting social and economic grievances are a growing threat to internal stability. Some see the Arab Spring as evidence that festering tensions and popular disaffection within China will be increasingly difficult for leaders to suppress.<sup>10</sup>

The responses of the United States and other Western powers to the Arab Spring represent a different but also very troubling concern for leaders in Beijing. The Communist Party leadership retains an almost instinctive aversion to and suspicion of Western calls for autocratic leaders to offer concessions to pressures from below, believing such steps could become a slippery slope for even greater challenges to the party's authority—a perspective they share with many of the Arab world's autocrats. Should major protests materialize in China or should Internet activism ultimately contest the party's monopoly on power, many officials see the potential for highly disruptive political outcomes.

## THE LIBYAN EXCEPTION

Internal hostilities in Libya represented a very different case from events in Tunisia and Egypt. The outbreak of armed conflict in Libya caused widespread damage and looting to more than twenty-five Chinese projects within the country, which included major undertakings in telecommunications, railway construction, oil exploration, and metallurgical development.<sup>11</sup> With Chinese citizens and business interests at risk, Beijing was prepared to act in rapid and unprecedented

fashion, including the establishment of a high-level task force to oversee the evacuation of Chinese workers from Libya.<sup>12</sup> The Arab League's endorsement of a humanitarian intervention was a pivotal factor in Chinese policy calculations. With the league's evident consent for an external intervention, China as well as four other Security Council members opted to abstain from (rather than oppose) UN Security Council Resolution 1973, thereby enabling NATO's rapid employment of air power against the regime. Though this appeared to signify a shift in Chinese readiness to interfere in the internal affairs of another state, it was also a reflection of immediate exigencies (that is, the safety of Chinese citizens) as well as Beijing's desire to avoid international isolation at the United Nations. China's abstention from the resolution was in line with its prevailing practice in the Security Council; it has employed its veto on only six occasions since 1971.<sup>13</sup>

However, Chinese officials and commentators were soon perturbed by NATO's expansive use of force, even though Beijing had consented to the imposition of a no-fly zone. Claiming that continued military actions by NATO would trigger an even larger humanitarian crisis, Beijing soon criticized "action that exceeds the mandate of the Security Council."<sup>14</sup> In essence, China saw mission creep in Libya. But as hostilities persisted, China tried to straddle the fence, establishing working relations with rebel forces, while simultaneously maintaining consultations with the Libyan government. Still, Beijing appeared to focus on the Libyan opposition forces, which it characterized as an "important dialogue partner."<sup>15</sup> Beijing recognized the need to be better positioned in the event of a leadership change, perhaps in the hopes of ultimately recovering at least a portion of its major investment losses purportedly sustained during the civil conflict, with some estimates ranging higher than \$10 billion.<sup>16</sup> Immediately following Qadhafi's ouster from power in late August, the Chinese Ministry of Foreign Affairs declared that "we have noticed recent changes in the Libyan situation and respect the choice of the Libyan people," but it deferred formal recognition of the National Transitional Council (NTC) as a legitimate governing authority. The spokesman also noted that "China is willing to work together with the international community and to play an active role in the future reconstruction of Libya."<sup>17</sup> Bowing to the inevitable, in mid-September 2011 Beijing officially recognized the NTC as the "ruling authority of the country."<sup>18</sup>

Beijing's stated objections to the use of force, however, did not reflect any particular affinity for the Qadhafi regime. China's relations with Libya have long been deeply strained, partly due to Tripoli's accusations of Chinese economic domination of Africa and Tripoli's periodic efforts to cultivate ties with Taiwan.<sup>19</sup> But Chinese leaders exhibited ample unease about NATO's freedom of action and by parallel Western efforts to compel Qadhafi's exit from political power. Western moves to displace a sitting government, no matter how loathsome it may be, and even if justified by the "responsibility to protect," did not sit

well with leaders in China. Beijing registered its objections even as it was edging toward full ties with Libyan opposition forces, including an early July visit by a senior Chinese diplomat (Chen Xiaodong, director general of the Foreign Ministry's West Asian and North African Affairs Department) to Benghazi.<sup>20</sup>

Moreover, despite Chinese objections to NATO's use of force, Beijing recognized and acted upon immediate risks to its own interests. Following the outbreak of widespread violence in Libya, China moved with atypical speed and interagency coordination to evacuate Chinese nationals. The late February redeployment of the frigate *Xuzhou* (then involved in counter-piracy operations in the Gulf of Aden) through the Suez Canal was unprecedented in China's post-1949 history. This was the first instance of China deploying a frontline naval asset to a distant location to rescue endangered citizens; Chinese authorities also flew IL-76 cargo aircraft to assist in these efforts.<sup>21</sup> China had thus crossed a major threshold in the operational deployment of military forces that would have seemed unimaginable only a few years ago. This could well presage Chinese responses to future nontraditional security missions, ones that military leaders appear increasingly willing to undertake, including multiple extended counter-piracy missions in the Gulf of Aden conducted since December 2008. In the Libyan case, however, China had edged much closer to interfering in another state's internal affairs, garnering public approval in China as a consequence.

### CHINA SPREADS ITS WINGS, UNCERTAINLY

Chinese responses to the Arab Spring thus reflect divergent policy impulses and needs. The responses have entailed harsh repression at home, prudent efforts to protect burgeoning overseas interests, tentative but suggestive steps to modify China's longstanding policy of noninterference in the sovereign affairs of another state, and preliminary steps to heighten multinational collaboration, counterbalanced by continued sharp attacks on Western political and military intervention. This portends the development of foreign policy doctrines that are less equivocal about the employment of Chinese power (including military power) to defend Chinese interests, though Beijing will clearly seek UN sanction for such activities. The larger, unanswered question is whether China perceives sufficient common interests with other major powers to pursue a more collaborative strategy. This will depend in significant measure on whether there is additional upheaval across the Middle East that could threaten the interests of all powers. It will also depend on future Western strategy. As states across the region turn to the prodigious tasks of economic rehabilitation and political restructuring in Libya and elsewhere, a larger effort to limit the risks of major instability seems a shared interest around which outside powers could coalesce.

In the aftermath of the Arab Spring, China is no doubt far more mindful of and sobered by the potential liabilities of deeper regional engagement. It is no longer a marginal actor in regional politics, economics, or security and is clearly prepared to make major investments in the region's future. But it has yet to decide on its preferred regional role or on its readiness to work toward a more inclusive conception of development and security. In the longer term, China must also address its continued affiliation with autocratic regimes whose hold on power seems far less certain than in the past, the protection of China's regional trade and investment, and (most important for Beijing) the assurance of unimpeded access to regional energy supplies on which all states, but particularly China, will depend. However, China surely grasps that the upheavals across the Arab world will continue, requiring Beijing to ponder its future strategies in the face of events that it can neither anticipate nor control.