



BELT AND ROAD INITIATIVE: China-Middle East Cooperation in an Age of Geopolitical Turbulence

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مركز بروكنجز الدوحة
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Agenda

16 December 2019

Palazzo Ballroom

09:00 AM–09:30 AM

Welcoming Remarks

09:30 AM–11:00 AM

**First Session: Global Power Confrontation:
Challenges, Risks, and Opportunities in MENA**

Chair: Wu Bingbing

Contributors: Ben Fishman, Galip Dalay, Jin Liangxiang

11:00 AM–11:30 AM

Coffee Break

11:30 AM–1:00 PM

**Second Session: China's Role in MENA Regional
Security: The Policy and Politics of Non-Interference**

Chair: Ranj Alaaldin

Contributors: James Dorsey, Kayhan Barzegar,
Zhao Jianming

1:00 PM–2:00 PM

Lunch

2:00 PM–3:30 PM

**Third Session: BRI Cooperation: Growth Prospects,
Policy Headwinds, and Emerging Risks**

Chair: Xu Mingqi

Contributors: Hakim ben Hammouda,
Hatim Al-Shanfari, Wu Bingbing

3:30 PM–4:00 PM

Coffee Break

4:00 PM–5:30 PM

**Fourth Session: Information and Defense:
Opportunities and Risks in Security Cooperation**

Chair: Khalid Mahmood

Contributors: Bessma Momani, Hui Zhibin, Wang Zhen

8:00 PM

Dinner

17 December 2019

Palazzo Ballroom

09:00 AM–10:30 AM

**Fifth Session: Energy Security and Climate Change:
Interdependence, Competition, and Threats**

Chair: Yang Guang

Contributors: Nader Kabbani, Hassan Hakimian,
Sun Xia

10:30 AM–11:00 AM

Coffee Break

11:00 AM–12:30 PM

**Sixth Session: The Impact and Limitations
of China's Soft Power in MENA**

Chair: Tarek Megerisi

Contributors: Yahia Zoubir, Zhao Jianming

12:30 PM–1:30 PM

Lunch

Introduction

Wang Jian and Tarik Yousef

China has expanded its engagement with the Middle East and North Africa (MENA) region through President Xi Jinping's Belt and Road Initiative (BRI), the flagship project aimed at establishing the world's largest platform for economic cooperation. Initiated in 2013, the vision encompasses five areas of cooperation, including policy coordination, infrastructure network connectivity, trade and economic cooperation, financial integration, and people-to-people connections. So far, more than 100 countries have signed agreements for BRI-related projects, and estimates predict China will spend over \$1 trillion on the project by 2027.

However, China's growing engagement with the region is coming at a time of rising geopolitical turbulence. The U.S.-led liberal international order is experiencing a fundamental shift, leading to short-term volatility, and creating long-term uncertainty about the world economy and the international system. The Trump presidency, internal crisis in Europe, ongoing conflicts in Syria, Yemen and Libya, and the breakdown of the Iran Nuclear Deal (JCPOA) may be drivers of instability for years to come. Given these challenges, it is essential to assess the impact of rising geopolitical tensions and economic volatility on BRI and China-MENA cooperation.

To discuss these issues, the Brookings Doha Center (BDC) and the Shanghai Academy of Social Sciences (SASS) convened their second joint workshop. Over the course of two days, participants took part in an in-depth discussion with experts from China, the Middle East, North America, and Europe on the BRI and China-MENA relations more broadly. Specifically, the workshop examined the global and regional context for cooperation considering heightened geopolitical turbulence and uncertain economic outlooks. The workshop sessions focused on global power confrontation and the challenges, risks, and opportunities that this presents for the MENA region; China's role in MENA regional security; growth prospects and emerging risks in BRI cooperation; opportunity and risks in security and technological cooperation; energy security and climate change; and finally, Chinese soft power projection in the region.

As the rise of an unprecedented global health crisis has shown, international cooperation is vitally important to contain the spread of COVID-19 and to manage the economic fallout from the crisis. This requires coordination between global powers and regional actors, and a genuine commitment to conflict resolution, humanitarian aid, and cooperation. This workshop revealed acute institutional weaknesses at a regional and global level, and as the world continues to battle a global pandemic, plummeting energy prices, and the growing internationalization of conflict, robust institutions that cultivate international engagement and cooperation are essential. The MENA region is in the midst of unprecedented challenges, and international cooperation, not proxy war, should be the strategy moving forward to ensure a robust regional security framework in the region.

Summary of Key Takeaways

Rising Global Power Competition

U.S.-China tensions constitute one of the core elements of a rapidly changing international order, and there are various sites and avenues through which this geopolitical rivalry plays out. The MENA region is one of the least impacted regions, with the notable exception of tensions over Israeli economic cooperation with China. U.S.-China tensions manifest more overtly in regions such as South East Asia and the Asia Pacific. However, China's growing role in the Middle East is positioning the rising superpower in more direct confrontation with shifting U.S. interests in the domains of energy security, Israel, and Iran. This trend of rising hostility intensified when the Trump administration blamed China for the spread of the COVID-19 pandemic. In many ways, U.S. priorities have shifted toward countering China's expanding presence in the MENA region through primarily economic, diplomatic, and security competition, as well through political narratives about the threats that China poses across the world.

Much of the rising global power competition in the MENA region is a result of U.S. disengagement, in the form of decreasing troop presence and lower diplomatic engagement. There is bipartisan consensus in the United States on the need to withdraw from the Middle East, and this will likely not change. Consequently, the MENA region is confronting a critical challenge of establishing a new regional order and balance of power. Shifts in polarity are bound to lead to challenges. Furthermore, spheres of influence and containment policies are becoming increasingly present in the region. Mutual security, respect for sovereignty, economic development, and rejecting zero-sum games are more effective policy priorities. U.S.-China cooperation is essential for an effective and peaceful world order. Areas such as energy security and conflict resolution offer avenues of potential U.S.-China cooperation.

Regional Security Architecture in MENA

As the U.S. withdraws from the MENA region, the regional security order is shifting from a U.S.-led, un-

ipolar security framework to a multipolar order where various actors are fighting for influence. This includes countries like Russia and Iran, as well as other actors such as Turkey and Gulf countries. Heightened geopolitical tensions and rivalries within MENA are challenging China's ability to pursue region-wide economic objectives while remaining on the sidelines of regional disputes. Ongoing proxy wars and civil conflicts endanger the economic benefits derived from China-MENA cooperation. Given this regional context, China will need to adjust its regional policies and adapt its role. Neither China, nor Gulf states can rely on the United States to enforce regional security. It is becoming increasingly risky for countries like China to rely on the United States to secure the flow of energy and goods, especially as global competition intensifies between the two superpowers. Moreover, Russia and China do not have the capabilities to uphold a region-wide security infrastructure.

Given the primacy of security and politics over economics and trade in the MENA region, China's expanding presence there will require a more coherent Middle East policy that includes a greater security role. However, forming a new security order will be difficult. China's vision for a regional security architecture is at odds with the priorities of several Gulf states because of the Iran question. China supports a role for Iran in any Middle East security architecture, putting it at odds with Gulf states such as Saudi Arabia and the United Arab Emirates. This reflects China's commitments to principles of multilateralism, balance of power, non-interference, and neutrality. These policy priorities reveal both challenges and opportunities for further Chinese engagement with the region, and there are serious questions about whether China's policy of non-interference is sustainable. However, non-interference does not mean that China does nothing. China is cultivating significant economic and security cooperation with countries across the world. It funds and trains military forces for institutions like the African Union. Chinese relations with African countries could perhaps provide a model for future relations between China and MENA states, especially in the domains of growing security ties.

Economic and Trade Cooperation

Due to China's slowing economic growth, all regions in the world are receiving lower levels of Chinese investment except the MENA region. China is one of largest investors today in MENA with more than \$30 billion in foreign direct investment (FDI) and Chinese dependence on Middle East oil is growing. While economic cooperation in strategic domains like energy security is robust between China and many MENA states, other avenues of cooperation should be pursued. According to the Policy Paper on China-Arab Relations released in 2016, China focuses on a 1+2+3 cooperation formula, i.e., energy, plus industrial parks and investment facilitation, plus nuclear energy, new energy, and space technology.

There are, however, challenges to BRI cooperation between China and Gulf states, in particular. These challenges include the potential for U.S.-Iran military confrontation; an escalation of U.S.-China competition; the economic fallout from the COVID-19 pandemic; and falling energy prices. The pandemic is pushing Gulf countries to reflect on supply chain issues and to launch efforts to build supply capability domestically or to diversify the supply chain. The supply chain shift parallels the localization of the labor force and sets limitations on foreign workers in the Gulf Cooperation Council (GCC). Moreover, the pandemic has reinforced the trend of lower oil prices. This means that we should expect in many MENA countries less job creation, higher taxes, and lower subsidies, a combination which could result in social unrest.

Digital Infrastructure and Security Cooperation

The Digital Silk Road is an integral component of BRI. It is promoted by the Chinese government as sound investment, economic development assistance, and supporting digital infrastructure and connectivity across the globe. However, there are concerns that the growth of Chinese surveillance technology and digital infrastructure, notably through China's dominance in 5G technology and Artificial Intelligence (AI), will

reinforce trends that strengthen authoritarianism and threaten civil liberties in the MENA region. As the influence of countries like the United States and Europe declines, some civil society activists and organizations across MENA are concerned that they are losing allies that would support good governance, democratization, and human rights. As China's role in global affairs expands, the international liberal order is under increasing pressure.

Cyber security is an important concern. The significance of Huawei in the dissemination of the global 5G network is unmatched. This is especially true in the high-tech industries in Gulf countries. There is much competition over the surveillance technology space, and this will remain a site of contention between China and the United States, with possible impacts on MENA. The United States has attempted to apply pressure to allies in MENA and Europe to not accept contracts with Huawei. But, so far, this strategy has not worked, and China still dominates the 5G space.

There are other security-focused aspects to China-MENA relations. Counterterrorism is an overlooked avenue of security cooperation. China's counterterrorism strategy focuses less on military might and more on economic development. It also echoes the core elements of Chinese foreign policy, such as security coordination through low-profile, bilateral ties. Chinese security cooperation with MENA states includes intelligence sharing, capacity building and security personnel training, and providing defense equipment. However, it also includes cooperation in economic development, poverty eradication, and deradicalization programs. There needs to be greater security cooperation between China and MENA, and strategies that combine security, economic development, and poverty eradication should be pursued.

Energy and Climate Security

China is the world's largest consumer of energy and imports nearly half of its oil from the Middle East. There is great energy interdependence between China and MENA. Over 80 percent of Chinese investments

are in the energy sector, and China is the largest importer of energy from the Gulf region. China and MENA states are also among the largest emitters of carbon dioxide. Given the growing threats from environmental degradation and climate change, both China and MENA are increasing cooperation in green energy and development. Today, it is necessary to understand both traditional security threats, such as terrorism and transnationalism crime, and non-traditional security threats, such as climate change and public health threats. Both China and MENA countries should increase non-traditional security collaboration, notably through ensuring that BRI projects are environmentally sustainable and through increasing investment in renewable energy sectors.

The COVID-19 pandemic accelerated several worrying trends in energy security. During this workshop in December 2019, the discussion had already shifted from concerns about peak supply to concerns about peak demand. This was before the virus severely impacted the global economy and energy markets. Little did we know that declining demand would happen so soon. Oil prices declined to historical lows, and global supply chains were interrupted due to lockdown measures. The impacts of the virus also reinforced the need for both oil-rich and non-oil rich MENA states to implement reforms. For states like those in the Gulf region, oil dependency is riskier than ever. These countries must accelerate their economic diversification efforts. Non-oil wealthy states need to better develop a solid industrial manufacturing base.

Chinese Soft Power

Narrative and image are both central aspects to the concept of soft power. Chinese soft power is rooted primarily in economic and cultural mechanisms, and BRI represents one of the key frameworks through which it is disseminated. This is because BRI facilitates China's development-based projects and narrative through joint-economic projects, booming tourism, the spread of Confucius institutions, and educational exchanges to promote Chinese language learning. Soft power is about narrative projection and whether a

country's policies and image are coherent and well understood by the world. China is trying to promote an idea of mutually beneficial development and security. Moreover, China projects itself as very different from Western countries, given its lack of a colonial history in MENA; its commitment to development, non-interference, and neutrality; and its support for multi-lateral cooperation through international institutions.

Chinese soft power is successful in many ways because of this, as evidenced by its efforts to support the World Health Organization (WHO) and dozens of countries as they battle the spread of the COVID-19 virus. This so-called "pandemic diplomacy" comes at a difficult time for China's image abroad given accusations that China's lack of transparency intensified the global impacts of the virus. Reports about poor treatment of Muslim communities throughout international media outlets have also hurt China's reputation. As regional security deteriorates, China may need to project hard power in order to protect its economic interests across MENA. This may pose challenges for Chinese policies like non-interference and neutrality. China is a global economic superpower, and, in order to promote and protect this status, both soft and hard power will likely be necessary.

Session One

Global Power Confrontation: Challenges, Risks, and Opportunities in MENA

Context

The China-U.S. trade war and geopolitical tensions have negatively impacted the global economy and created uncertainty for the international system. Global power competition is intensifying across the world, including in the MENA region, on the back of a wave of nationalism, populism, and emerging security threats and opportunities. What impact will the ongoing confrontation between China and the United States have on BRI and China-MENA cooperation more generally? What role should global powers play in the region? Can external actors collaborate more effectively in resolving regional conflicts and supporting a regional security framework in MENA?

US priorities have changed in the Middle East *Ben Fishman*

As China expands its presence in the Middle East, it is coming increasingly in contact with traditional American strategic interests. The recent response by the Trump administration to the COVID-19 pandemic, in particular how President Donald Trump and Secretary of State Mike Pompeo have blamed the Chinese Communist Party (CCP) for spreading and covering up the disease, is exacerbating U.S.-China relations. In the Middle East, that means that U.S. bilateral and regional priorities have shifted to countering Chinese influence in the region through economic competition, arms sales and military ties, as well as broader messaging and image competition.

Historically, the United States has focused on four primary interests in the region. First is energy security and protecting the Persian Gulf and the Strait of Hormuz. The requirement for Middle Eastern oil has driven the U.S.-Saudi relationship for decades. Second is ensuring Israel's security and promoting Arab-Israeli peace. Third is counterproliferation and preventing Iran from developing a nuclear weapon. Fourth is counterterrorism and fighting the presence of Al-Qaeda and the Islamic State group. A fifth interest, promoting democracy and reform across the Middle East, remains much debated in the United States and has varied across administrations, both Republican and Democratic. Authoritarian regimes in the Middle East—even those friendly to the United States—certainly prefer China's approach to non-interference in other countries' internal affairs.

U.S. priorities have changed in the Middle East during the Trump administration in the strategic domains of energy security, Israel, and Iran. Regarding the issue of energy security, President Trump often boasts that the United States is now a net energy exporter. However, the durability of the shale industry came into question when Saudi Arabia, under the leadership of Crown Prince Mohammed bin Salman (MBS), increased oil production in an effort to win a better position in the OPEC+ quotas, especially vis-à-vis Russia. Eventually, MBS conceded to a reduction of production, in part due to significant pressure from Republican sen-

ators from oil producing states who threatened U.S. military sales to the Kingdom. President Trump still maintains an overall positive relationship with Saudi Arabia. If former Vice President Joe Biden wins the presidential election this year, dynamics may shift. Biden has already pledged to reevaluate the U.S.-Saudi relationship, which has been severely damaged from the Khashoggi murder and the war in Yemen. This could provide an opportunity for China to deepen its relations with Saudi Arabia.

Concerning Israel, the introduction of the Trump peace plan and the potential for Prime Minister Benjamin Netanyahu to annex the West Bank has made U.S.-Israel relations more partisan than ever over the issue of Israeli-Palestinian peace. However, the U.S.-Israel security relationship remains very strong. One of the occasional friction points is China. Most recently, a Chinese company won the contract to manage the Haifa port starting in 2021. This caused tension between the United States and Israel because the U.S. Sixth Fleet docks at this port. Secretary Pompeo made his first overseas trip since the COVID-19 crisis to Israel, where one of the key agenda items was discouraging Chinese investment in a large regional desalinization plant. Shortly after, the Israelis selected another manufacturer.

On the issue of Iran, the Obama administration had courted China to build pressure on Iran to halt its nuclear programs in the P5+1 process that ultimately turned into the Joint Comprehensive Plan of Action (JCPOA). Once the Trump administration scrapped the JCPOA in favor of its “maximum pressure” campaign and ended oil waivers to China and other Iranian markets earlier this year, tensions intensified between China and the United States over Iran. As Secretary Pompeo said in December: “China’s no exception... We’ve asked them not to take Iranian crude oil, and we’ll continue to impose our sanctions regime on those countries that are violating, especially when the violations relate to their WMD programs.”

The crisis in U.S.-China relations since the COVID-19 pandemic will only make cooperation on the above issues more challenging.

MENA will not be significantly impacted by global power competition

Jim Liangxiang

One of the major features of the changing global order is China’s rise to becoming the world’s second largest economy, and, in some ways, the second most important player in global politics. Amid this ascent, China has attempted to build win-win bilateral relationships, especially with the United States. For China, a cooperative relationship with the United States is essential for a peaceful world order. An antagonistic relationship will lead to disaster. Confrontation between the United States and China may continue for some time. However, the United States will hopefully realize that an “America First” policy is not sustainable in a global economy governed by the norms of globalization.

Unfortunately, the United States views China as a major challenge to its leadership in international affairs. This was made clear when former U.S. President Barack Obama launched the Asia-Pacific rebalance, also known as the “pivoting to Asia” strategy. The Trump Administration went even further in this regard by designating China a strategic rival, in addition to Russia and Iran. The Trump Administration initiated an all-around containment and confrontation strategy against China, which reached a climax with the outbreak of an historic trade war between the two countries. Some of his team even propose “decoupling,” or a significant reduction in U.S.-Chinese economic interdependence.

Much of U.S.-China tension stems from the United States’ effort to curb China’s growing economic and geopolitical influence, and there are many theaters where this tension plays out. South Asia and the Asia Pacific will be the main regions involved. For example, the United States has proposed a new set of alliances through a regional re-grouping. It now views security in the region through the lens of “Indo-Pacific” rather than “Asia-Pacific.” This allows the United States to build a stronger security alliance to contain China. Countries such as India, Japan, South Korea, and Australia will thus become the frontlines of the U.S.-China rivalry.

The Middle East has long been critical in international geopolitical competition, but the impact of U.S.-China tensions on the region will be limited. The exception to this is Israel. The United States has pressured Israel to cancel commercial ventures with China several times. In 1996, Israeli Prime Minister Netanyahu's government signed an agreement to sell China the Phalcon radar and early warning system, but Ehud Barak's government canceled the agreement in 1999 under U.S. pressure. In 2004–2005, China sent a number of Harpy drones, bought from Israel in the 1990s, back to Israel for technological updates and servicing. The Israeli government returned the drones to China without being updated, again due to U.S. pressure. In January 2019, then-U.S. National Security Advisor John Bolton visited Israel to pressure Netanyahu to cancel a deal with China on the construction of a new port in Haifa. The visit was unsuccessful for Bolton, and Chinese construction of the port continued despite overt U.S. opposition to the project. Most recently, Secretary of State Pompeo visited Israel in May 2020 to push Israel to cancel a Chinese company's tender to build the Sorek desalination plant B. This time, U.S. pressure worked, and Israel instead chose a local company to build the desalination plant.

However, it is important to note that Israel's case is unique. In general, the Middle East region will be among the least affected by global power competition between the United States and China. The United States has long regarded Israel as its 51st state and has provided significant amounts of economic and security assistance, as well as political support. This special relationship implies, for the United States, that Israel will unquestionably support U.S. policy priorities. While many other countries in the region are also U.S. allies and depend on U.S. protection and support, their relations with the United States are no comparison to Israel's. In other words, U.S. pressure in this regard might not necessarily work.

Discussion

Views were varied about the nature of U.S. disengagement from MENA. The United States' reduction

of military engagement and troop numbers in places such as Iraq, Syria, and Afghanistan began during the Obama administration and has accelerated under the Trump administration. Indeed, there is a growing bipartisan consensus that the United States should disengage militarily from the region. Furthermore, we can measure U.S. withdrawal in areas beyond military presence, such as diplomatic outreach. Under Trump, the United States does not engage in regular, high-level diplomatic visits in the MENA region. Rather, the administration's Middle East policy is concerned with Iran and the maximum pressure strategy. Some participants described U.S. policy as rooted in confusion and incoherence rather than clear withdrawal. Others argued that the primary question is not whether the United States should stay or leave, but rather how the country might implement smarter policies and engagement. There was consensus among some that the United States needs to remain a key actor and an effective partner in the region, but that it is currently either totally absent, or failing to support a resolution, to the regions' various conflicts. This means that countries within the region, as well as major power like China and Russia, are confused about U.S. strategies. Perhaps if the United States clarified its policies, there would be more room for cooperation.

Participants also discussed China's foreign policy in the MENA region, which is different from both the United States and Russia in that it focuses on economic development through the framework of BRI. This allows China to be a significant economic partner to MENA countries. China has also played a low-profile mediation role in broader Middle East affairs. Some scholars underlined that China is a provider of security resources within multilateral frameworks like the U.N. Others pointed out that China does not have traditional alliances, opting for partnerships rooted in economic ties, non-intervention, and neutrality. Several Chinese researchers stated that external actors can help provide order and security in the MENA region, but they should also support the concept of sovereignty because the region is currently defined by conflicts that undermine sovereignty through external intervention and cross-border attacks. Many

participants contended that the region would be less impacted by U.S.-China frictions than many other regions, with the possible exception of Israel. Some pointed out that competition between the U.S. and China over the MENA region is unnecessary because there are several avenues for cooperation between the two global powers, especially in energy security.

There were several questions about Russia's strategic interests in the region, its relationship with China, and differences between the two states' foreign policies. There was agreement that China has played a more economic role while Russia has tended to focus on security, but there was much debate over whether two global powers share strategic interests in the Middle East. For example, Russia and China policies have coalesced around several issues, such as voting together in the U.N. Security Council regarding Syria. However, others contended that similar votes on the Security Council reflect a shared commitment to the principles of sovereignty and non-interference. Some asserted that Russia's Middle East policy has been very clear in that it seeks to establish spheres of influence in places like the Eastern Mediterranean, whereas China's Middle East policy has been lacking in clear objectives.

There was consensus that the MENA region is confronting the critical challenge of establishing a new regional order and balance of power. Shifts in polarity are bound to create challenges. Furthermore, spheres of influence and containment policies are becoming increasingly present in the region. Some participants asserted that this needs to change and that mutual security, respect for sovereignty, rejecting zero-sum games, and economic development are more effective policy priorities. The question of geographical proximity was raised and whether there has been a growing trend of disengagement from faraway regions. This reflects broader anti-globalization trends that could intensify in the future. The MENA region is not in the immediate neighborhood of Russia or China, and some participants pointed out that China has been more concerned with its immediate neighborhood in Asia, especially given the presence of U.S. naval operations near the Taiwan Strait and the South China Sea.

Session Two

China's Role in MENA Regional Security: The Policy and Politics of Non-interference

Context

Policymakers in China have traditionally emphasized non-interference and balanced relations in foreign policy, an orientation that has served China and regional actors well in the past. However, heightened geopolitical tensions and rivalries within MENA are challenging China's ability to pursue region-wide economic objectives while remaining on the sidelines of regional disputes. Ongoing proxy wars and civil conflicts endanger the economic benefits derived from China-MENA cooperation. Given this regional context, how are China's multilateral and bilateral relations in MENA shifting? What security role does China seek to play in the future and what role do MENA countries envision China playing?

Gulf sands shift as anchors of regional security gradually loosen

James Dorsey

Against the backdrop of questions about the United States' commitment to Gulf security, China is grappling with how to build the U.S. regional defense umbrella into an architecture that is reliable and works for all. Neither China nor Gulf states can rely in the longer term on a U.S. willingness to unconditionally defend the region and the flow of energy and goods.

The problem is that, at least for now, China's perception of what would constitute a workable regional security infrastructure clashes with that of key Gulf states like Saudi Arabia. China believes that a new security architecture must include Iran. This directly counters the current U.S. defense umbrella, which is designed to confront Iran.

The UAE has in the last year reached out to Iran in a bid to reduce tensions. However, UAE has also insisted that real détente is impossible unless Iran scales back its support of proxy militias in various Middle Eastern countries and unless the Islamic Republic returns to a renegotiated agreement that would curb its nuclear and ballistic missile programs. Saudi Arabia has made those demands a pre-condition for any détente. Complicating issues is the fact that neither China nor Russia have the will or capability to substantially contribute to a reconfigured Gulf security architecture.

Gulf states are very aware of China's and Russia's limitations. They have realized that no power can fill the security role played by the United States. This suggests that Saudi Arabia, the UAE, and others may not reduce their massive spending on weapons acquisition nor their cultivation of domestic defense industries despite the dire economic crisis that has resulted from the coronavirus pandemic.

Moreover, China, like Russia, stands to benefit from a brewing regional arms race, even if the United States and Europe are likely to remain dominant players. The race is fueled by Iran's march toward potential nuclear military capability as it increasingly withdraws from the 2015 in-

ternational agreement that curbed its nuclear program. The country also continues to advance in the development of ballistic missiles and the expansion of security technology in space, as evidenced by the launching of a military satellite in April. Iran benefits from the Gulf's uncertainty about the Trump administration's reliability and commitment to Middle East security.

The question is how long China can continue to rely on a deteriorating U.S. framework to assure its own regional security interests. This is an increasingly precarious strategy because of the reduced U.S. commitment to ensuring a security architecture and because of the risks involved in an environment in which pressures are mounting for the United States to pursue decoupling with China. Consequently U.S.-China relations will be marked by ever fewer areas of cooperation or mutual interest.

Answering that question could become urgent sooner rather than later. Gulf states, as well as China, are likely to hold the fort in place until the November 2020 U.S. presidential election. They are waiting to see if the presumptive Democratic Party candidate Joe Biden emerges victorious and whether he fundamentally reshapes U.S. policy in the Middle East. This is also a risky strategy given that Biden may change Middle East policy more in tone and style rather than in substance.

China's incoherent Middle East policy

Galip Dalay

Countries such as China and Russia are challenging the United States' traditional dominance in the MENA region. The two powers play very different roles. Russia acts as more of a security partner while China embraces economic partnerships with no strings attached. However, this distinction between the economic, political, and security realms is not always clear cut. Russia's security partnerships with regional actors include economic dividends such as higher volumes of arms sales, better energy price coordination with the Arab members of OPEC, the expansion of nuclear power plant construction, and higher levels of investment. Similarly, China's economically focused approach will inevitably require a greater security role in the region. Currently, China is the

largest buyer of Gulf oil, and yet it relies on the U.S. security umbrella and naval presence to ensure its oil flow from the region. This situation is unsustainable, however, because the United States is downsizing its role, leaving China's energy security vulnerable to the political volatility of the region.

Faced with what they perceive as an unpredictable and unreliable American administration, regional leaders are looking to cultivate greater ties with other international powers. This geopolitical hedging has become a major aspect of foreign policy in the Middle East today. In the region's capitals, criticism of U.S. policy and praise for China are ubiquitous. Most of the region's leaders have signed a wide variety of bilateral agreements. Despite the United States designating China a strategic rival, some of its strongest allies, such as Egypt, the UAE, and Saudi Arabia, have signed comprehensive strategic partnership agreements with China.

It is highly likely that these deepening ties will push China to play a larger security and political role in MENA. After all, in the Middle East, politics and security have primacy over economics and trade. These realities raise two key questions concerning China-Middle East relations: Why are these states betting on China? What are the limitations and constraints that China faces in order to play a larger, more effective role in regional security?

To start with, MENA states usually turn to China, and for that matter Russia, whenever they experience tension or difficulty in their relations with the United States. In addition, these states are betting on China because it has ostensibly created a formula for economic development without political reform. Informed by the experience and fears of the 2011 Arab uprisings, these regimes are trying to follow the Chinese model. They are hoping to gain legitimacy through economic progress instead of political reform. Furthermore, China's top foreign policy priorities are economic connectivity, the security of the flow of energy resources, and the security of its investment in the Middle East. It is goods and commodities, not political ideas or regime type, that China is interested in exporting. This makes China an attractive choice for Middle Eastern countries that are hostile to interference in their

internal affairs and authoritarian policies, and that are seeking higher levels of foreign investment and funding for ambitious development projects.

However, there are various constraints to China's engagement with the region. China's Middle East policy, if there is one, is fraught with strategic incoherence. It is uni-dimensional (focused on economics and energy) and transactional, with no overarching framework. As a result, China has no special relationship with any country in the region. Capitalizing on discontent with the United States, China prefers to decouple the economy and energy files from geopolitical issues in the region. However, in a region where all major political questions are deeply contested and geopolitical tensions are on the rise, this approach is unsustainable.

Another key constraint remains the United States' long running and institutionalized defense ties in the Middle East. China is very cognizant of its limitations in the region vis-à-vis the United States. It is seeking to avoid confrontation and situations when U.S. allies feel forced to choose between the two powerhouses. Thus far, MENA states have been able to maintain a balancing act between the two. However, this will likely generate friction in their relationship with the United States. The United States views China's growing presence in the Middle East as a threat, whereas China benefits from the U.S. security umbrella in the region. Moreover, China much prefers U.S. presence in the Middle East, as this diminishes U.S. power in more strategic regions like the South China Sea.

Discussion

This discussion began with the question of whether China's policy of non-interference is sustainable. There was also a critical discussion about the so-called "China model," and whether Beijing is trying to export this model to other countries. Furthermore, is the ostensible division of labor between China and Russia going to be possible in the future? More generally, as economic nationalism, zero-sum games, and great power competition intensify in the world, will China be able to maintain its policy of non-interference and neutrality, especially if its direct economic and political interests are being threatened?

Some participants argued that there is a fundamental misunderstanding of the meaning of non-interference. For many, non-interference means not meddling in the affairs of other countries and non-military engagement. This does not imply that China does nothing. For example, Beijing has sent peace-keeping troops and supported diplomatic efforts with North Korea and Iran. The key is that China promotes these actions through multilateralism and the U.N. Participants debated whether China was truly engaging in non-interference, given its significant economic and political influence in MENA states. Many participants argued that China's commitment to non-interference was a myth. Others posited that non-interference means not meddling in the affairs of other countries and that China successfully practices this policy. This is why China oppose regime change interference.

On the issue of the Chinese economic model, participants discussed the proliferation of surveillance technology (and the surveillance state) and the role it plays in China's relations with other countries across the globe. According to one panelist, in the plans of the China-Pakistan economic corridor, for example, surveillance capacity was included. In Uzbekistan when you sign contracts with Chinese state companies, you buy surveillance technology. Regarding the so-called division of labor between China and Russia, some scholars debated the actual extent of coordination between the two countries. Many believe that this is not a major alliance and that there is still much competition between China and Russia, even if their interests often align in forums like the Security Council.

A critical conversation over China's Africa policies took place, and one participant highlighted that China started engagement with Africa on a purely economic basis and then this evolved into much more security-oriented engagement, as evidenced by China's military base in Djibouti. This could provide a lesson for what China is likely to do in MENA. This conversation launched a debate about the base, which some Chinese colleagues said was primarily to support Security Council-approved anti-piracy efforts.

On the question of intervention, it was mentioned that China does, in fact, provide security support. For example, in 2015 China began to provide security support to the African Union. China provides around \$16 million of support for training of Africa standby forces. These forces are designed for military intervention. According to one participant, this is for when “unconstitutional” events occur in some African countries. It was emphasized that this kind of intervention is based on the collective efforts of African countries. In 2003 when the African Union was established, it was created together with a council for peace and security, which is in charge of managing intervention. The best way for China to support intervention is to respect the consensus of African countries, which comes from the council for peace and security in the African Union. This could provide a model for China in the MENA region. Another panelist debated this point, arguing that Africa has a much stronger set of regional institutions than MENA. It is difficult to build cooperation in the MENA region because of extreme institutional weaknesses and the lack of a collective vision.

Lastly, the Chinese government’s actions in the Xinjiang province and their treatment of the Uighur community were debated among the various participants. Some panelists emphasized security threats in the Xinjiang and the importance of counterterrorism cooperation between China and MENA, while others asserted that the reports coming out about the government’s treatment of their Muslim minority population included alarming human rights violations. These reports are already damaging China’s reputation with the populations of MENA countries, and it could further weaken China-Middle East cooperation if the situation does not improve.

Session Three

BRI Cooperation: Growth Prospects, Policy Headwinds, and Emerging Risks

Context

China is one of largest investors today in MENA with more than \$30 billion in FDI. However, the slow-down in the global economy is presenting challenges for China-MENA economic cooperation. What is the growth potential for financial and investment cooperation in supporting BRI's infrastructure projects and deepening financial sector integration at a time of geopolitical and economic uncertainty? What is the role of private and public financial institutions in MENA and the impediments they face during this period of rising global and regional tensions? Furthermore, what is the impact of social protests across several MENA countries on BRI cooperation and growth prospects?

Despite slowing economic growth, Chinese investment remains strong in MENA

Hatim Al-Shanfari

China became the largest global importer of crude oil in the world for the first time in 2015, and half of that crude oil came from the Middle East. In 2018, China's foreign investment, especially for construction contracts, had dropped by \$100 billion, according to figures from the American Enterprise Institute (AEI) on China's global investment practices. Due to China's slowing economic growth, all the world's regions have seen decreasing levels of Chinese investment. The exception is the MENA region. Since BRI started in 2013, up until 2018, the highest investment by China per region was Europe (more than \$300 billion), followed by sub-Saharan Africa, East Asia, the United States, and then MENA.

In 2018, MENA ranked second to Europe in investments. Europe got about \$47 billion that year, whereas MENA got around \$28 billion, so the focus on investments on the MENA region has substantially increased. This correlates to the fact that China is becoming more and more dependent on Middle East oil. Within the Middle East, Saudi Arabia tops the list for the 14 years from 2005–2018, followed by the UAE. But from 2013 (since BRI was launched) to 2018, the UAE was the largest recipient of Chinese investment, followed by Egypt, Saudi, Iran, Algeria, and Iraq. On the other hand the top 15 countries that export oil to China include Russia at the top, then Saudi Arabia. So, energy security is very important for China. But it is essential to note that China also has limitations in its financial resources, and this can limit BRI. Another issue is that youth unemployment in the region poses a major challenge to BRI. This can lead to instability across the region. Plus, the influence from the West, especially from the United States and the United Kingdom, will keep pushing back against the influence of the Chinese. One other factor that could be substantial is declining growth in the global economy, most especially in the context of the COVID-19 global pandemic. This could lead to various spillover effects. Overall, the data shows a clear trend

that Chinese investment in the region has increased, especially since BRI started. Governments in the MENA region are not always very clear about exactly what they want from BRI and from China, so these countries are not taking advantage of BRI the way they should be.

Challenges to BRI cooperation between China and Gulf Countries

Wu Bingbing

OBOR (One Belt and One Road) is not just “one” belt and “one” road. Instead, it encompasses a network of partnerships and projects. BRI includes partnership between China and the Gulf countries; comprehensive strategic partnership between China and Saudi Arabia (2016), Iran (2016), and UAE (2018); and strategic partnership with Qatar (2014), Iraq (2015), Kuwait (2018), and Oman (2018). It includes projects with Gulf countries, such as Silk City and Five Islands Project in Kuwait; Jizan Industrial Park in Saudi Arabia; Duqm Port Project in Oman; Khalifa Port and Khalifa Industrial Zone of Abu Dhabi (KIZAD); and New Port of Qatar. BRI is based on four main fields: industrialization, infrastructure construction, energy, and finance. These key areas stem from China’s 40 decades of experience in policy reform and economic opening. According to the Policy Paper on China-Arab Relations released in 2016, China also focuses on a 1+2+3 cooperation formula, i.e., energy, plus industrial parks and investment facilitation, plus nuclear energy, new energy, and space technology.

There are challenges to BRI cooperation between China and GCC countries: First, a possible U.S.-Iran military confrontation in the Gulf region could threaten peace and stability. Since the Trump administration left the JCPOA in May 2018, the United States has imposed a maximum pressure policy, targeting Iran’s energy and financial sectors as well as curbing Iran’s influence in the region. Iran has adopted a maximum resistance approach. The United States and Iran were on the edge of military confrontation in June 2019 and January 2020. The United States is working on the extension of the U.N. resolution banning Iran from importing conventional weapons, which could create more tensions in the region.

Second, the United States is trying to intensify its competition with China in the MENA region. Currently, Sino-U.S. competition is mainly limited to the Asia-Pacific region and bilateral relations related to trade and technology. The United States is trying to impose pressure on its allies in the Gulf region to reduce their cooperation with China, especially in the areas of 5G technology, AI, and COVID-19 technology and equipment. Third, potential supply chain shifts could influence trade and economic cooperation between China and GCC countries. The pandemic is pushing Gulf states to reflect on supply chain issues and to launch efforts to build supply capability domestically or to diversify the supply chain. The supply chain shift parallels the localization of the labor force and sets limitations on foreign workers in GCC countries. Fourth, the trend of low oil prices has been reinforced by the pandemic, which could significantly hurt the economy of GCC countries. The low oil price means less job creation, higher taxes, and lower subsidies, a combination which could result in social unrest.

China believes that the virus does not recognize borders and poses an international challenge. As such, this crisis should be handled through international cooperation. The global challenges of climate change, public health, and unconventional security threats can only be addressed with closer international cooperation. International institutions, including the U.N., G20, and WHO, should be strengthened. China is also pushing for the concept of a community of shared health for mankind, as a response to the pandemic, and suggests that the COVID-19 vaccine should be a public good for all of mankind.

Discussion

The discussion centered on concerns surrounding so-called “debt traps” and how the Chinese are pursuing their development goals. Problems with BRI, such as debt issues and the preference for Chinese workers over local ones, were acknowledged. Furthermore, participants noted that both the Chinese and the global economy are slowing down. This could threaten BRI investment. Important questions were raised about

how to make BRI more beneficial to all parties. Questions were also posed about how China could push back against U.S. influence over global finance. There was agreement that MENA countries are facing economic crises relating to weak growth, high unemployment, and high poverty rates, and that long-term solutions are necessary to tackle these challenges.

Some panelists pointed to what was termed a “fifth wave of industrial transfer,” which could be triggered by Chinese industrial readjustment. This would mean that a lot of industries would need to be transferred out of China into other countries to survive. The question then became, are Middle Eastern countries ready to receive these transferred industries? Some participants argued that this will help determine whether they can confront their economic crises. The discussion also highlighted the experience of Chinese industrialization and how, at its inception, it was supported by significant foreign investment from Japan, the United States, Europe, and elsewhere. There was also consensus on the need for the MENA region to cultivate better institutions at both a national and regional level. China wants to use its own experience of trade and global economic integration through BRI in the MENA region. But the bigger hurdles, according to some participants, are the lack of sufficient infrastructure and the lack of institutional mechanisms for China-MENA cooperation. Some contended that BRI is not sufficient, and others emphasized the potential for greater collaboration through the China-Arab States Cooperation Forum (CASCF).

A critical conversation surrounding Chinese investment data also took place. Chinese colleagues pointed out that while investment is increasing overall, the structure of the investments is changing. China’s investment in certain countries and sectors has declined. Some participants also argued that China can play a larger role to protect its economic interests, and to also support Gulf countries. For example, China could act as a mediator in the GCC crisis. Furthermore, China could support better collaboration in the area of oil price cooperation, and Russia-Saudi coordination specifically. Other participants from the MENA region

emphasized that their countries should stop thinking that the solutions to all their problems will be found with external powers. Participants asked questions about BRI, China’s views on political transition, mutual security, and China-Iran relations. Regarding political transition, participants reemphasized China’s commitment to non-interference, neutrality, and peaceful transition.

The China-Iran relationship was described as essential. China was active in P5+1 and substantially supported the negotiation process for the Iran Nuclear Deal (JC-POA), which China still supports. One of the most pressing geopolitical issues at the moment is how to convince Trump that negotiations and better U.S.-Iran ties are beneficial. One participant posited that Iranian oil is not indispensable for China—it’s less than ten percent and after sanctions, less than five percent. Moreover, panelists emphasized that China is more focused on maintaining an independent foreign policy than on oil. To ensure maximum energy security, China does not put all of its eggs in one basket, as one participant put it. This is why China has multiple partnerships and refuses to take sides.

Session Four

Information and Defense: Opportunities and Risks in Security Cooperation

Context

China's 2019 Defense White Paper outlines the expansion of Chinese military capabilities and weapons technology, as well as increasing investments in security cooperation. The Digital Silk Road and building technological infrastructure constitute a key facet of BRI, and this encompasses both commercial and security interests. What are the opportunities and risks in greater security cooperation in the domain of information technology and defense in a context of geopolitical turbulence and concerns over regional security, surveillance, and data sovereignty?

Chinese investments in digital infrastructure are a cause for concern

Bessma Momani

China's quest to excel in the areas of digital connectivity and technological infrastructure, particularly as it relates to AI and 5G technology, may be a nationalistic feat for China, but it introduces growing concerns in the Middle East, particularly for civil liberties.

There is no doubt that China is a global leader in 5G and soon-to-be leader in AI technology. Advancement of 5G technology is facilitated by China's strong support of Huawei, an information and communications technology (ICT) company which the government claims is an independent entity. However, the company's senior executive maintains close, if not symbiotic, ties to the CCP. Consequently, it is difficult to conceive of Huawei as a truly independent company that is devoid of government interference or influence. Real fears exist that as China builds this 5G technology in the Middle East, companies like Huawei will have a backdoor into collecting information on political activists that could be shared with repressive government authorities.

With a population of nearly two billion, China has a strong advantage in data points collected, thereby facilitating machine learning and AI. Moreover, China's centralized political system allows it to impose digital surveillance and data collection of its citizens, a maneuver that is quite difficult for liberal democracies with strong civil liberty protections, especially regarding data privacy. However, the utilization of digital surveillance, particularly in the restive region of Xinjiang, where reports have shown that China tightly monitors its Uighur ethnic minority population, does not portend well for Middle Eastern citizens. Many of the countries in the Middle East are nascent experiments with political liberalization and have an active civil society that is constantly monitored by the security sector; few, and arguably, none, are fully free and liberal democratic systems. China's willingness (in a similar fashion to states like Israel) to sell digital surveillance systems to Middle Eastern governments is unhealthy for regional politics and its people.

The Digital Silk Road along President Xi Jinping's highly coveted BRI may be heralded by the Chinese government

as sound investment, economic development assistance, and supporting network connectivity capacities in other countries. However, there are valid concerns that the infrastructure investment lays the groundwork for continued encroachment of civil liberties in the Middle East. The implications of COVID-19 will only further accelerate the demand and supply of surveillance technologies, which would be facilitated by 5G infrastructural investments. Take, for example, the use of digital contact tracing apps that are meant to identify and warn others of COVID-19 positive cases. China's approach to these contact-tracing technologies are draconian and its promotion of these technologies in the Middle East are worrying.

The liberal international order is under attack from within thanks to the rise of nationalist populists that are focusing inward and retreating from world affairs. Hence there are no natural counterpowers to rising Chinese ambitions. This means many civil society groups in the Middle East, which once had powerful backers in the liberal democratic world, are alone. This does not portend well for democratic development in the MENA region and is worrying for all those concerned with political liberalization efforts after the Arab Spring.

The importance of China-MENA counterterrorism cooperation

Wang Zhen

The international community has not given sufficient attention to counterterrorism cooperation between China and MENA countries. This cooperation began after the September 11th attacks, and the motivation behind it stems from shared security interests between both sides. Firstly, both China and Middle Eastern countries are victims of international terrorism. The MENA region has long suffered from international terrorist activities. Various types of terrorism can be identified in the region, ranging from racial terrorism, ethnic split-type terrorism, to transnational jihadi terrorism, and others.

In contrast, terrorism faced by China mainly includes two types. The first type is terrorist activities created by domestic ethnic separatists. National separatists and religious extremists committed thousands of acts of violence

in Xinjiang and throughout China from 1990 to the end of 2016. The second type is international terrorist activities threatening China's interests abroad. With the expansion of China's overseas presence, such risks are rapidly increasing. In November 2005, three members of the China National Defense University were killed in a suicide bomb attack at the Hyatt Hotel in Amman, Jordan. On August 30, 2016, a suicide bomber drove a truck into the Chinese embassy in Bishkek, Kyrgyzstan and set off a blast that caused injuries to three embassy staff.

Secondly, both China and the MENA region have borne the cost of the global war on terror. Such costs not only include visible casualties and economic losses but also the risk of terrorist retaliation. Terrorist retaliation constitutes a major cost element borne by many developing countries after they participate in global counterterrorism efforts. The average monthly terrorist attacks in recent years have far exceeded those before 9/11, the majority of which took place in developing countries. Due to weak counterterrorism and emergency response capabilities, these developing countries tend to suffer more from terrorist attacks.

Counterterrorism cooperation between China and MENA countries has been overlooked due to the following factors: Firstly, although China does not oppose military attacks against terrorist targets, it opposes the over-emphasis of military methods in the international fight against terrorism. China places more emphasis on eliminating social poverty through economic development as a key component of its counterterrorism strategy. Secondly, China tends to take a low-profile, bilateral approach to counterterrorism cooperation. For example, the cooperation between China and some oil-producing Arab countries mainly focused on the exchange of intelligence information about transnational jihadist forces, as well as international political support to combat extremism. In comparison, counter-terror cooperation between China and countries such as Egypt, Syria, and Sudan includes not only capacity building, personnel training, and counter-terror equipment support, but also knowledge sharing in economic development, poverty eradication, and de-radicalization.

However, there are some obstacles to counterterrorism cooperation between China and the MENA region. Firstly, the two sides sometimes maintain different positions on some

major sites of conflict. For example, China has always pursued the principle of non-interference in dealing with the Syrian civil war. As a developing country that has been colonized and invaded, China has no intention to intervene in other countries' internal affairs and insists on respecting their independence and sovereignty. But this policy was misunderstood by some Arab countries. The subsequent development of the situation in Syria proves that the intervention of external forces did not bring peace and prosperity to the Syrian people. Instead, the internal political differences in Syria evolved into a proxy war. Lastly, there is misunderstanding and a lack of communication between the two sides. For example, in China, most people have limited knowledge of the MENA region and Islamic traditions there. In the Arab world, the public know very little about China's Muslim community and its different traditions.

In recent years, many MENA countries and Arabic-language media have echoed Western countries' criticism of China's Xinjiang policy. However, they know very little about the situation in Xinjiang and China as a whole. Many people do not know that the Chinese government invests heavily in Xinjiang and provides funds for development and poverty alleviation. For instance, the central government's subsidies constitutes nearly 60 percent (332.23 billion RMB) of Xinjiang's 2019 budget revenue, let alone various support programs from other provinces. In addition, each year, tens of thousands of teachers, doctors, engineers, scientists, and workers travel there to support local economies and build infrastructure. Such large-scale assistance is unprecedented, but it has not received any attention from the international community.

Discussion

This discussion was marked by an intense debate over digital infrastructure in the BRI, surveillance technology, the role of Huawei in the dissemination of 5G throughout the world, and reports concerning mass surveillance and human rights violations taking place in Xinjiang. It was made clear that the digital silk road represented an integral aspect of China's vision for BRI. The immense value of mass data and the necessity of a regulatory framework were emphasized. Participants highlighted the General Data Protection Regulation (GDPR) in the EU, and how this framework makes it harder for companies to sell your data. A Chinese expert on

data and digital infrastructure mentioned the creation of the Cyberspace Administration of China (CAC) in 2014 as a mechanism for protecting cyber security. In 2017, China established the cybersecurity law, and another law on protecting personal information is expected. There was significant debate over the extent to which Chinese companies have made cyber security integral to their operations. Participants analyzed elements of the U.S.-China trade talks. Panelists voiced concern about intellectual property (IP) and the fact that technology transfers are happening at the cost of many American tech companies and their IP.

There is also much competition over the surveillance technology space. Chinese dominance in the 5G sector, as well as the controversy over Huawei and data security, spurred on rigorous debate. Some panelists argued that Huawei guarantees security and data protection. The ICT company established a cyber security evaluation center and opened itself up to scrutiny by the British government. Some participants pointed out that Huawei does this to build trust, so many asked why countries are still blocking it. They argued that we have not seen evidence of Huawei data breaches. To rebut this, discussants debated over whether the company should be considered a private entity that is autonomous from the state, given the nature of the Chinese political system and the connections between Huawei and the CCP. Others rebuked this assumption and emphasized the distinction between state-owned vs. privately-owned companies in China. The importance of Huawei in the dissemination of 5G was also raised by many. This is especially true in high-tech industries in Gulf countries, such as 5G and AI. One participant also reminded the group that Huawei gets most of its commercial contracts in Europe, from U.S. allies.

The topic of Xinjiang was also fervently disputed through multiple lenses. Participants discussed the question of human rights violations, mass surveillance, counterterrorism operations, and economic development. The session concluded with acknowledgment that the Chinese government made mistakes in dealing with Xinjiang. The lack of transparency surrounding the CCP's policies in Xinjiang stoked fears about what was happening. One participant admitted that the Chinese government made mistakes by not letting journalists visit Xinjiang, and that this forced the government to go on the defensive.

Session Five

Energy Security and Climate Change: Interdependence, Competition, and Threats

Context

Energy is an essential long-term driver of China-MENA cooperation. China is the world's largest consumer of energy and imports nearly half of its oil from the Middle East. China and several MENA countries are also among the biggest emitters of carbon dioxide. At a time of great geopolitical uncertainty, how is BRI weathering threats to energy supplies and the environment? Energy cooperation has expanded well beyond fossil fuels to include a growing array of renewable and non-renewable resources, technology, and infrastructure throughout BRI routes, giving rise to economic and geopolitical challenges. How can China and MENA states ensure energy security, maintain global security, and battle climate change?

The impacts of COVID-19 on international trade and environmental security

Hassan Hakimian

The extent and intensity of the COVID-19 global pandemic has inevitably focused our minds on its public health consequences and direct economic costs. There are, however, other important structural impacts on the global economy in general with likely lasting effects on our lifestyles, which should not be ignored.

One such area is the pattern of international trade, and, more specifically, the global supply chain that has been the linchpin of the globalization model in the last few decades. As a low-cost economy, China has benefited from companies aiming to source their material from distant places in a bid to minimize their storage costs. Such a tight, just-in-time inventory model, however, fared well under a global trade system that ran smoothly and without serious disruptions. For its part, China too could rely on meeting its pressing energy needs through large quantities of oil imports from the Middle East and elsewhere.

The pandemic has, however, put this model to the test and stretched the logic of sourcing materials at less cost without considerations for the day-to-day security of such supplies. With more economies going into lockdown, there have emerged widespread stories of production disruptions in distant places interconnected through a complex web of supply chains for parts and components. The Italian lockdown, for instance, disrupted the global fashion industry. Vietnam's manufacturers—from electronics to textiles and footwear—experienced supply chain disruptions from China. India, for its part, discovered new opportunities in chemical and pharmaceutical industries as the crisis prompted companies to diversify supply sources away from China during her lockdown.

Such a bid to diversify trading partners, however, runs both ways. China is reliant on the Middle East for over half of its energy needs and needs to insure against similar supply disruptions. Establishing energy relations with as many countries and regions as possible has been China's goal for some time. The pandemic has reinforced this urgency in a two-way direction: both

China and its trading partners will be more mindful of their supply security in the years to come.

For China, the post-COVID era may open up both threats and opportunities given the new emergent supply chain arrangements and the resurgent economic nationalism on the rise in many Western countries, which is likely to outlive the pandemic. However, for the Middle East, the challenges could be more serious with low oil prices likely to persist. This could slow down economic activity in general.

A second byproduct of the pandemic is the relationship between environmental sustainability and the pace of economic activity. A celebrated outcome of the lockdown has been a significant reduction in CO2 emissions worldwide and the improvement in the quality of air pollution in populous metropolitan areas. While such improvement is likely to be short-lived, this encouraging evidence is a reminder of the need to strike the right balance between economic growth and environmental degradation. The fact that CCP in its last Annual Conference in May 2020 broke with tradition by deciding not to set an economic growth target is a reminder of how pertinent survival necessities pose hard questions about the feasibility of maintaining ambitious targets for living standards.

GCC-China energy cooperation before and after the pandemic

Sun Xia

There is great energy interdependence between China and the Middle East. China has invested a lot in the energy sector (over 80 percent of Chinese investments are in the energy sector). China is the largest energy importer from the Gulf region. Through BRI, China has also invested in green energy and development. To best understand the current realities of energy security and climate change, it is important to comprehend the necessities of both non-traditional security, such as the environment and climate change, and traditional security, such as terrorism and transnational crime. We should strongly encourage more cooperation in non-traditional security. China is trying to play a more active role in mitigating both traditional and non-traditional security threats in the Gulf region. But how will other countries perceive China's role in Gulf secu-

rity? If China is to play an active role, this may provoke a reaction from other countries. Or, if China is pressured to choose sides in regional conflicts (though this would likely never happen because of the non-interference principle), this could provoke a major reaction. China should keep its neutral position in the region so that it can play a mediating role. This is good diplomacy.

The COVID-19 pandemic has interrupted the efforts of building more energy cooperation platforms among importers and exporters. Lockdown measures inevitably affect global economic activities, energy demand, and crude oil prices. Although OPEC+ reached an historic output reduction agreement in April, crude oil prices are still lingering at a low level. Oil and gas exporting countries were put under unprecedented pressure in the face of historically low energy prices. However, there are also positive sides of the crisis. For example, China and other Asian importers are taking the chance to build their strategic oil reserves. On the exporters' side, the new wave of low oil prices and economic crisis gave Gulf states another push to implement economic diversification reforms.

Compared with other suppliers, Gulf states still have the advantage of high-quality light crude oil and low production costs in the global market. However, there will be a fundamental change in the interdependence between importing and exporting countries after the coronavirus. The post-pandemic times will see the rising dependence of Middle East countries on China and other Asian energy markets. After unconventional energy such as shale oil and oil sand has been squeezed out of the market because of the price war, the market share of the Gulf states will be expanded. However, once the oil price rebounds and unconventional energy returns, Gulf oil will continue to compete with other unconventional energy and will drop its market share again. Moreover, the lifestyle changes due to the lockdown and the shift from fossil fuels to renewables due to the lower tolerance for global warming and pollution will also apply heavy economic pressure on oil-income dependent countries, even on the lowest-cost producers like Gulf states.

Therefore, in addition to the importance of market competition, Gulf states should accelerate their economic

transformation and social reform to get rid of oil-income dependence. The push for “decoupling” coming from the United States and the relative alienation of Europe from China will continue to push China toward the Middle East and other regions with which China may share more common political and economic interests. The large-scale BRI development and financial projects will continue to bring the Middle East necessary capital, nuclear energy, and renewable energy technologies. It is safe to say that the Middle East countries are the best collaborators with China in the short and long-term. Cooperation between China and Gulf states in third-party markets in the fields of infrastructure investment, renewable energy development, tourism development, agriculture, and high-tech industries will come back even stronger than pre-pandemic levels.

Discussion

The discussion centered around the enormous shift in the global energy market over the last decade stemming from the rise of the United States, which has overtaken Russia and Saudi Arabia as the top oil producer. The United States has met its goal of limiting reliance on Middle Eastern oil. Nonetheless, the Middle East still constitutes a significant part of the energy equation worldwide. The region still counts for just under half of all oil reserves and just over a third of total trade. For this reason, one panelist argued that the Middle East is not likely to see its significance decrease too quickly. The reliance of China on energy from the region is especially large. MENA states are responsible for over half of China’s energy needs. China’s investment in all six BRI corridors decreased in 2019, apart from MENA. Debate surrounding China’s role as a top investor in renewable energy and its position as the top polluter in the world (and importer of coal) was consistent throughout. The discussion focused on ways to make BRI more environmentally sustainable, as well as how to support Gulf countries and their economic diversification reforms. There was much agreement over the need to cultivate better connections between China and MENA states in fields outside of the energy sector.

Important questions were asked, notably how should MENA countries integrate their development projects

into the framework of BRI? However, there were concerns that the United States would pose a major challenge to further cooperation, especially China-GCC cooperation on energy. Another panelist asked whether China and MENA states felt the impact of conversations in the United States surrounding the Green New Deal and if growing concerns about climate change were impacting BRI and MENA development projects.

One panelist drew our attention to concerns surrounding demand peak. This comment proved incredibly prescient given the impact of the global pandemic on energy consumption after the workshop took place. Demand plummeted and oil prices fell to historical lows. This same panelist emphasized the growing competition among the oil and gas suppliers in the Asian market. It was also remarked that we should pay attention to oil and gas exporting security—the security of Middle East exporting countries, or the suppliers, is especially crucial today.

The conversation then shifted toward differentiating between oil-rich and non-oil rich MENA countries. Some participants focused on how oil rich states need to double down on diversification efforts outside of the oil and gas sector, while non-oil rich countries need to develop and diversify industry. One participant emphasized that, outside of the Gulf region, countries like Iraq, Libya, and Algeria are having a difficult time finding funds to expand oil and gas production. A weaponization of trade and investment is also taking place in a number of countries in the region.

Participants described how China establishes energy diplomacy only when there is a strong political relationship. As for the question of non-interference, some discussants argued that China should be able to cultivate energy security, and that the best way to do this is through developing political relationships based on the principle of non-interference. One panelist mentioned China’s policy of non-interference with Iran as a model because this allows for energy cooperation between Iran and China. It was admitted that China cannot always pursue this model elsewhere, such as in Northeast Asia. However, many voiced the opinion that China can be neutral in the Middle East in ways that are not possible in other regions.

Session Six

The Impact and Limitations of China's Soft Power in MENA

Context

China has sought to increase its influence in the MENA region by building Chinese schools and cultural centers in various countries, and by hosting growing numbers of MENA students in Chinese universities. Increasing tourism, education and language training, and people to people connectivity are integral parts of BRI. However, China still needs to achieve considerable influence to match EU and U.S. efforts on this front. What are the new challenges facing China's soft power during this period of geopolitical turmoil? How can China enhance the effectiveness of its soft power efforts? What responsibilities do MENA countries have to facilitate wider people-to-people engagement and interest in China's history, culture, and society?

Soft power and the importance of narrative

Tarek Mejerisi

Soft power is a concept that has evolved considerably since it was first coined. Participants in this session found an early and rare consensus on its most useful characterization being that of narrative control, or “the story you tell the world about yourself” as one panelist put it.

The narrative which China seeks to establish is apolitical, development-focused, and flatteringly distinguishable from the reputations of rival powers. It is built on China's mercantile history, in contrast with Europe's colonialist one, and geared toward accentuating the mutually beneficial possibilities of building development-centric relationships with China today. China's conduct on the international stage, heavy on multilateralism, neutrality, and non-interference, are intended to further embellish this narrative and project China as not only unthreatening but a responsible global leader (in contrast to a highly interventionist West). Such a narrative helps to drive China's two main priorities in the MENA region and the wider developing world: To create enduring economic partnerships that can fuel China's growth and to provide diplomatic security to protect China against persecution or isolation from Western countries.

Chinese soft power manifests primarily through cultural and economic mechanisms. Cultural tools help develop civilizational affinity, probably best demonstrated through Hollywood's impact on global perceptions of the United States. In some ways, China is perceived to be suffering from the lack of a global culture industry, even in relation to neighbors such as Korea (with K-Pop) and Japan (with Manga). Nevertheless, the launch of an Arabic language channel of the Chinese news broadcaster China Global Television Network (CGTN) was seen as a valuable tool of narrative control. The most prolific Chinese tool of cultural soft power, Confucius Institutes, were seen to be a difficult sell in the MENA region given local religious sentiments which view it as an anti-theistic philoso-

phy. This could explain difficulties encountered with attempts to establish centers in Qatar or Algeria, two countries that are otherwise close Chinese allies.

Economic soft power tools are more apparent and are best witnessed through BRI. The wider political philosophy surrounding this policy of building economic partnerships based on a “win-win” premise and leveraging participation as a vehicle for deploying developmental aid has made this a very potent tool of Chinese soft power. China’s burgeoning tourism industry was also described as a potentially powerful tool for Chinese soft power, especially amongst the tourism dependent economies of North Africa. Iran’s reluctance to close the country to Chinese tourism earlier this year despite pandemic-related threats are a signifier of how important and lucrative Chinese tourism can be for local economies. The later bout of “COVID diplomacy” where China, Turkey, and the UAE all competed within the region to build goodwill through donations of protective equipment, ventilators, and other vital support is a further example of how soft power opportunities will become more contested as the region itself becomes more contested.

Controlling the narrative as a means of preserving relationships and securing interests is a policy toolkit that will become more diverse and important as rapid Chinese growth leads to more contested issues and greater friction with other powers, such as the United States. The current fracas around the COVID-19 pandemic, U.S. defunding of the WHO, and calls for investigations to establish culpability for the pandemic’s spread exemplifies this dynamic. As China becomes more invested in the MENA region, this will be a topic of even greater significance given the indelible connection between soft and hard power. A point which echoed throughout the various conversations of the session was how the latter becomes necessary when the former fails. Given increased Chinese security infrastructure, it is seemingly inevitable that preserving this balance in favor of soft power will be a key focus of Chinese and Middle Eastern policymakers moving forward.

China’s traditional culture and successful development model

Zhao Jianming

Since Joseph Nye put forward the concept of soft power, scholars in various countries have tried to illustrate its different manifestations. For example, India may define its soft power as religious pluralism, training centers for IT elites, Bollywood, and democratic culture. Japan may define its soft power through its successful business models, cartoon culture, and combination of Eastern and Western civilization. There are different ways of promoting soft power, and there is much competition through soft power. Soft power corresponds to hard power in many ways. An important example of this is American soft power diplomacy during the Cold War.

Soft power is an instrument that China can use to promote itself. Chinese soft power should embody its traditional culture and its successful development model. First, the following elements are integral aspects of Chinese traditional culture: sincerity, benevolence, integrity, and shame. Sincerity means respecting elders and caring for those who are marginalized. Benevolence means upholding the values of justice. Integrity refers to the importance of honest and moral leaders. Shame refers to respecting moral values. These elements represent the essence of ancient Chinese culture and essential foundations for soft power mechanisms like BRI’s commitment to mutually beneficial development, people-to-people connectivity, and respect for international norms.

Second, China’s successful development model emphasizes the primordial role of economic growth both for China and for the world. For China, development is an irrefutable principle that serves to solve existing problems. China has reached unprecedented levels of economic expansion, but it remains a developing country with abundant problems, including a significant gap between the rich and the poor, ethnic divisions, unequal regional development, and scarce resources for a growing population. Only through development can these problems be gradually resolved. It is

important, however, to find the right balance between economic development, reform, and stability.

When China promotes these ideas and uses soft power in the Middle East, some criticisms surface. These mainly include: China's soft power promotion is problematic because it is spearheaded by the Chinese government. Many criticize that Chinese soft power projects are purely for the sake of geopolitical interests to challenge the United States and to become a superpower. Some governments and individuals view China's Confucian Institutes as a key platform for promoting Chinese soft power, and sometimes cultural tensions arise over these educational and cultural platforms. In the Middle East, for example, some governments see a tension between China's promotion of Confucian philosophy and Islamic or Jewish cultural norms. China should respond to criticisms surrounding its soft power with transparency, mutual respect, and clarity.

Since the COVID-19 epidemic spread across the MENA region in 2020, China has provided medical emergency equipment and dispatched medical support teams to Iran, Egypt, Saudi Arabia, and other countries with the aim of supporting the global fight against the pandemic. Humanitarian aid and medical support is another essential element of Chinese soft power, even in the midst of criticism against China's management of the novel coronavirus. In spite of these issues, Chinese soft power, and especially its successful development model, still offers considerable lessons for MENA countries in this current context of public health crisis and economic decline due to falling energy prices.

Discussion

The discussion began with a critical conversation surrounding the concept of soft power and the specific elements of Chinese soft power. This includes economic, cultural, and educational power in various forms. Several panelists pointed to BRI as China's principle example of soft power, coupled with the global rise of Confucius institutes, educational ex-

changes and scholarships, as well as the boom in Chinese tourism. These are worldwide phenomena that are in their early phases in most MENA countries. One participant pointed out that soft power is more about whether your narrative and your policies are coherent and well understood. China is trying to promote an idea of shared development and mutual benefits. It is also advancing a specific view on security; there is no such thing as unilateral security—security must be thought of on both sides. Many argued that China's vision is rooted in a commitment to non-interference and neutrality; mutual development and security; and multilateralism through international institutions.

The relationship between China and the UAE was highlighted as perhaps the most significant in terms of its soft power elements. One panelist made a comparison between Chinese and Emirati soft power, which some argued is rooted in fixation on surveillance and a desire to shape particular discourses related to religion. Furthermore, the UAE has the largest Chinese diaspora community in the region (between 200,000 and 300,000); 4000 Chinese companies have their regional headquarters in the UAE; and 1.5 million Chinese tourists visited the UAE in 2018. The UAE has been at the forefront of educational exchanges between the two countries. It hosts Confucius institutes, and Chinese is taught at more than 200 Emirati schools. Regarding religious discourse, the UAE became the first country in the region to establish a center for Islamic studies in China. Other participants also pointed out that the UAE began projecting soft power before it launched into more hard power modes of operations, so perhaps this model could shed some light on how China might operate in the future.

Other topics that impact Chinese soft power are concerns about the treatment of Uighurs in Xinjiang. There was much debate over this issue, especially because the workshop took place just after *The New York Times* published several leaked documents surrounding CCP policy in the region. There was agreement that this has been impacting China's image across the world. However, there was significant debate about

the veracity of these reports, as some participants contended that this story was manipulated by Western media. Many participants rejected those claims and asserted the necessity of addressing the treatment of populations living in Xinjiang.

There are other integral elements of Chinese soft power. For example, it's important to remember that China doesn't carry the baggage of colonial history in the region. China promotes an image of a non-interventionist and neutral geopolitical player that is committed to multilateral processes and international institutions, such as the International Monetary Fund, the World Bank, and the U.N. However, there are also concerns about growing Chinese imperialism in Africa, leading to anti-Chinese sentiment.

Another discussant emphasized the concept of values and argued that people still associate the values of democracy, human rights, etc., with the West. Perhaps not necessarily Western governments as much anymore, but definitely civil societies. This points out a contradiction in the Chinese model. The participant asked, how does China fit into the liberal, values-based international order? Does China want to set up an alternative and if so, China needs to create a new set of principles. Several participants responded by pointing out the hypocrisy of Western powers and the so-called liberal world order. The way that China operates on the global stage, some discussants noted, demonstrates another mode of operation and that not everything should be viewed through the lens of Western standards and concepts.

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