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Culture, history and change

The Gulf in between the West and China

Chuchu Zhang and David B Roberts

ABOUT THE AUTHORS

Chuchu Zhang is Associate Professor of International Relations in the School of International Relations and Public Affairs at Fudan University. She is also Deputy Director of the Centre for Middle Eastern Studies at Fudan University. She received her PhD in Politics and International Studies from University of Cambridge. Her research focuses on Middle Eastern politics, Sino-Middle Eastern relations, and regional governance. She is author of Islamist Party Mobilization: Tunisia's Ennahda and Algeria's HMS Compared, 1989–2014 (Palgrave, 2020). She has published in many top peer reviewed journals including Environment and Planning A: Economy and Space, Land Use Policy, Pacific Focus, Chinese Political Science Review, and Journal of Middle Eastern and Islamic Studies.

Dr David B Roberts is an Associate Professor at King's College London. He is also Adjunct Faculty at Sciences Po. Previously, David was the Director of the Gulf office of the Royal United Services Institute for Defence and Security studies think-tank (RUSI Qatar). His primary research interest focuses on the politics, foreign affairs, and international security of the Gulf monarchies and the wider Middle East. His new book, 'Security Politics in the Gulf Monarchies,' will be published in 2023 by Columbia University Press.

Foreword

China's relationship with the Gulf states is becoming increasingly close. Economic ties have been growing for decades, based around the specific mutual trade needs of the two regions – that is, China's immense demand for oil and the Gulf's need to import manufactured goods such as cars and electrical items. These economic ties are now being complemented by closer political ties and an enhanced security relationship, as demonstrated in Xi Jinping's December 2022 meeting with the Gulf Cooperation Council in Saudi Arabia, which emphasised co-operation on security and support for each other's 'core interests'.

At a time of escalating geopolitical tension around China's role in the world, and with Chinese relations with the UK, EU and US all becoming increasingly fraught, it is likely that this enhanced collaboration with the Gulf will cause alarm in some quarters. In particular, the Gulf's increased reliance on trade with China may spark fears that its appetite to follow the West's political and cultural lead will be reduced. While Western states have enjoyed influence in the Gulf monarchies for many years, recent controversies over the banning of rainbow 'Pride' flags in Qatar, and the refusal of the Gulf states to condemn Russia's invasion of Ukraine, suggest a deepening separation of interests.

As David Roberts and Chuchu Zhang point out in this policy paper, China's self-presentation as a developing economy with historical experiences somewhat similar to those of the Gulf states enables the country to avoid being tarnished by the West's reputation for high-handed ideological promotion and criticism of the Gulf's internal politics. China's model of very rapid, state-driven development without democratisation is also highly attractive to policymakers in the Gulf as an alternative to Western pressures for political reform before economic development.

Yet, China and the West share many common interests in the Gulf, ranging from environmental protection and infrastructural development to stability in Iran. In this policy paper, Roberts and Zhang provide concrete suggestions for areas of policy co-operation, rather than conflict, between the UK and China within the region. In their view, there is scope for London and Beijing to collaborate on developing infrastructure construction in a way that prioritises migrant worker safety and economic benefit; the expansion of renewable energy and green finance across the region; and negotiating a renewed Iran nuclear deal.

With these areas of mutual economic interest in mind, the paper convincingly calls for the UK to avoid headline-grabbing political issues in favour of less inflammatory and more rewarding work that leverages respective areas of expertise. Roberts' and Zhang's proposals for achieving these outcomes are well placed to inspire policy action not only in the UK but also elsewhere in the EU, and perhaps in the US, where it is to be hoped that there is at least some interest in avoiding turning the Gulf into a new arena of East–West conflict.

Dr Charlotte Goodburn
Acting Director, Lau China Institute

Abstract

Western states have enjoyed considerable influence in the Gulf monarchies for decades. By comparison, China is a relative latecomer to the Gulf, is less constrained by precedent and enjoys acting as a limited player prioritising economic benefits in the region. Constructing itself as a developing power that shares similar historical experience and destiny with the Gulf states, China advocates mutual development, attaches fewer political strings and aspires to represent a non-Western alternative. Rather than turning the Gulf region into a new East–West arena, it is plausible that China and Western states like the UK can, away from more sensitive issues that inflame the press in Western capitals, leverage respective areas of expertise and mutually prosper in the Gulf region, particularly in economic fields.

Western states and the Gulf

The West's engagement in the Gulf is long and complicated. Contemporary Western engagement started in the late 17th century, mostly with Portuguese inroads being made in the southern and eastern coastal areas of the peninsula. But it was subsequently under the British and Ottoman empires that engagement began fundamentally to shape the monarchies, for good and for ill.[1]

Certainly, many regional leaders actively engaged with these foreign powers. Working relations were established with London and Constantinople whereby local leaders became proxies for the empires. Rewards for engagement ranged from supplies of munitions to political support for them and their chosen successor to the throne against other pretenders. More often than not, therefore, the two sides – empire and local leader – reached a modus vivendi that worked for leaders on both sides. Equally, without a doubt, there were sporadically deeply coercive politics employed by external empires against local leaders and their people that ranged from gunboat diplomacy and the unseating of leaders to punishment bombardment of towns and villages.

Fights for national liberation were complex,[2] citizens often bridled under colonialism. In the 1950s, officials' cars and the de facto British embassy in Bahrain were sporadically pelted with stones by protesters angry at perceived and sometimes clear unfairness overseen by the British. Equally, local leaders often scrambled to retain imperial agreements, understanding (rightly) that this gave them advantages within their proto-states. Many of these struggles are not ancient history. Some Gulf citizens, and certainly their parents, lived under empire in Arabia before it became Saudi Arabia, and in an Oman that was cleft in two with only a few kilometres of paved roads.

Independence came at different times and in different circumstances.[3] Saudi Arabia reconstituted lost provinces and claimed itself a kingdom in 1932. A highly underdeveloped Oman received independence from the UK in 1951, Kuwait achieved independence in 1961, and Qatar, Bahrain and (what would become) the United Arab Emirates achieved independence in 1971. But British influence sometimes remained. British officers remained in the senior ranks of the Omani military into the 1990s. With the massing of Iraqi troops at the border upon Kuwait's independence in 1961, Britain was beseeched to send troops to defend the small Gulf state, and it is quite plausible to conclude that British action prevented Iraqi invasion. And, in 1971, there was no coherent independence movement. Rather, independence was forced on reluctant monarchies by British fiscal difficulties.

As the 20th century progressed, Britain lost its market share of influence in the Gulf as the states developed at breakneck speed, diversifying their foreign engagements. In Saudi Arabia, the role of the US snowballed. From small but influential beginnings jointly establishing Saudi Arabia's oil firm, by the end of the century the US enjoyed a quiet, under-the-table influence in the state.[4] The end of the Cold War occurred at the same time as the 1990 Iraqi invasion of Kuwait, with Kuwait's liberation by a Western military coalition a year later. This seemed a harbinger of the future. The West had won the Cold War, its military prowess was displayed and shown to be far superior, and its democratically rooted economic model seemed to be the only game in town. The Gulf monarchies felt pressure to democratise from these international influences, and so did small-scale local protesters eager to take advantage of the world's focus on the Gulf monarchies during operations Desert Shield and Storm.

With Iraq proving just how dangerous a region the Gulf had become, the US provided a solution as it began to populate often huge military bases up and down the Arabian Peninsula – some of which, such as Qatar's Al Udeid Air Base, were built for that very purpose.[5] Gulf leaders luxuriated in these de facto US guarantees of protection, while, under pressure for democratic reforms, a range of promised moves were proffered and some incremental moves implemented.

Today, however, the Gulf monarchies are in the midst of a quandary. The fundamental elastic on the logic of US engagement in the monarchies is breaking down. Furthermore, the attacks on Saudi Arabia's most important oil refinery at Abqaiq in 2019 showed that US deterrence did not deter, and US protection did not protect from missiles and drones winging their way through defences, striking the refinery with unerring accuracy.[6] This moment constituted the revelation that the US emperor had no clothes.[7] Decades of buying into the US world order and the US military–industrial complex failed at precisely the thing they were there to avoid: an attack on critical national infrastructure.

Reverting to type and historical experience, Gulf monarchies have been courting other Western powers more assiduously in recent years. The UK now has two military bases in the Gulf, while France and Turkey have one each. There is a basic familiarity with these kinds of engagements. And there is a chance, partly rooted in the DNA of the past century of regional international relations, that the monarchies might well re-engage with these and other Western states as they search for security, if in more

1 https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2825942
2 https://www.taylorfrancis.com/chapters/edit/10.4324/9781315150918-10/red-arabia-toby-matthiesen
3 https://cup.columbia.edu/book/security-politics-in-the-gulf-monarchies/9780231205252
4 https://www.sup.org/books/title/?id=28252
5 https://www.amazon.co.uk/Qatar-Securing-Global-Ambitions-City-state/dp/1849043256
6 https://www.csis.org/analysis/attack-saudi-oil-infrastructure-we-may-have-dodged-bullet-least-now
7 https://www.tandfonline.com/doi/abs/10.1080/00396338.2021.1905997?journalCode=tsur20

of a mosaic fashion. The question, then, is how much a historically and culturally imbued approach to international relations, which clearly augurs for continued Western–Gulf interaction, fares against the sheer, vast and growing weight of Gulf–Chinese engagement.

China and the Gulf

Compared to the UK, China is a latecomer in the Gulf region. Despite some ancient commercial trade between the two distant neighbours in spices, fabrics and tea that can be traced back thousands of years, China and the Gulf had limited modern interactions before the 1970s. Indeed, in its early establishment, the People's Republic of China (PRC) had a closer relationship with nationalist regimes such as Egypt and Algeria than the conservative Gulf monarchies in the context of the Cold War. It was not until 1971 that Kuwait, often the regional leader at that time, officially recognised the PRC; Saudi Arabia became the last monarchy officially to recognise the PRC in 1990.

Nonetheless, since China deepened reforms, opened up, and adopted a more activist foreign policy under the framework of the Belt and Road Initiative (BRI), the Gulf region has risen to be an increasingly significant consideration for Beijing to weigh in its geoeconomic strategy. Being a key global energy supplier, a high-value infrastructure and arms sales market, home to some of the world's oldest and largest sovereign wealth funds, and friendlier to Beijing's interests than many of China's closer neighbours in Asia, the Gulf region soon witnessed a swift growth in China's presence and influence.

With the rapid enhancement of mutual dependence in China–Gulf relations, interesting questions arise as to how China, as a recent entrant to the Gulf, understands its advantage/disadvantage compared to Western powers such as the UK, which has a far longer history of dealing with the region. In the construction of its footprint there, China strives to distinguish itself from the old Western powers by identifying as an emerging power playing a new role. In Chinese narratives, Beijing is different from all existing players in the region in four ways.[8]

First, China takes pride in portraying itself as a new power with a 'clean' history in the Gulf and other Arab regions. While China acknowledges the Western powers' profound historical links with and strong soft power in the region, it does not perceive its late engagement there simply as a disadvantage: its absence of historical heritage also means absence of negative historical baggage. By emphasising the permanently damaging effects of imperialism in the region, China contrasts itself with Western hegemonies, such as the US today or formerly the UK, whose roles can easily be associated with quasi- or neo-colonial policies that adversely affected the monarchies.

Second, China describes itself as a new power that shares similar historical experience and destiny with the Gulf states. In many recent high-level meetings between Chinese and Gulf officials, it is mentioned that the Arabian Peninsula has been the intersection of land and sea silk routes since ancient times where well-known commercial hubs and ports such as Al-'Ula, Jeddah, Sohar and Muscat are located.[9] The purpose of this discourse is to suggest that both China and the Arab world are ancient civilisations that have left indelible marks on human history. Yet, both civilisations with their own glorious backgrounds lagged behind Western countries in their transition to modernity, and were then marginalised in the emergence of the contemporary unjust and unequal international order. Emphasis on such similar and shared victimhood casts the two sides as developing countries in the same camp with the same goals of democratising international relations and reforming the global system, despite their differences in ideologies, belief systems and values.

Third, China perceives itself as a new power that adopts a novel approach towards the region and offers an alternative to the Western powers. Having constructed a quasi-shared destiny with the Gulf states, Beijing declares that it would contribute to regional stability and prosperity in two ways. On the one hand, in its public statements and strategic messaging, China has clung tightly to the principles of respecting national sovereignty and non-interference in domestic affairs. Reinforcing this message is music to the ears of some Gulf leaders, who have long sought Western engagement, such as in the military realm, but who have equally been irritated by the often high-handed or even condescending attitude of Western powers criticising their internal politics. As such, China's comparatively 'no political strings attached' position when providing aid or carrying out economic co-operation is a significant attribute to its engagement. And crucially, above all else, a difference between the 'international democratisation' that the Gulf and China do want versus the internal democratisation and political interference that the Gulf does not want.

China offers a model of successful, swift, state-driven development where pressure for democracy and democratisation is not a factor. This stands in stark contrast to the implicit or even explicit Western mantra preaching

8 'Wang Yi: Handing over the power to maintain security and development in the Middle East in the hands of the people of the Middle East (*Wang Yi: Ba Weihu Zhongdong Anquanyu Fazhande Quanli Chedi Jiaodao Zhongdong Renmin Shouzhong*)', Ministry of Foreign Affairs of the People's Republic of China, March 7, 2022, https://www.fmprc.gov.cn/wjbzhd/202203/t20220307_10648936.shtml

9 'Wang Yi Holds Talks with Omani Foreign Minister Sayyid Badr bin Hamad bin Hamood Al Busaidi', Ministry of Foreign Affairs of the People's Republic of China, January 14, 2022, https://www.fmprc.gov.cn/mfa_eng/topics_665678/kjgzbdfyyq/202201/t20220114_10495720.html; 'Ambassador to Oman Li Lingbing Attends the Foundation Laying Ceremony of Zhenghe Monument (*zhuaman dashi lilingbing chuxi zhenghe jinianbei dianji yishi*)', Ministry of Foreign Affairs of the People's Republic of China, November 10, 2022, http://russiaembassy.fmprc.gov.cn/web/zwbd_673032/gzhd_673042/202211/t20221110_10941732.shtml

that development is best when it is intrinsically linked to democratisation efforts. China's approach of 'development before democracy', which is intrinsically linked to its mantra 'developing is an unyielding principle (fazhan caishi yingdaoli)', together with its call for democratisation of international relations beyond internal democratisation, finds significant favour in the monarchies as a fundamental model to be followed.

Applying this experience to the Gulf, the Chinese leadership frequently reiterates that 'many problems in the Middle East are rooted in development, and the ultimate solution is development',[10] rather than importing democratic institutions from abroad, which neither fit into local conditions nor help to tackle the region's socioeconomic predicament. Moreover, by actively providing medical aid and promoting its investment projects,[11] Beijing releases the signal that, as the most successful developing economy, it is eager and able to bring common prosperity to both sides.

Lastly, China has a significant offering when it comes to high technologies, especially those associated with the Fourth Industrial Revolution, which refers to 'a fusion of technologies – such as artificial intelligence, gene editing and advanced robotics – that is blurring the lines between the physical, digital and biological worlds'. As a new entrant to the Gulf, China is acutely aware of being at a disadvantage in many aspects when expanding economic exchanges with the region. For instance, Chinese construction enterprises find it costly to comply with the European standards that are sporadically applied in the Gulf region, and struggle to squeeze into the high value-added upstream fields dominated by local and European companies that have long enjoyed a strong foothold in the region's construction market. In this context, Chinese strategists perceive collaboration in frontier areas such as cloud computing, artificial intelligence and big data centres as a new dimension of strengthening China–Gulf relations under the BRI. Having been ramping up efforts to invest immensely in smart and innovative technologies and gather momentum in the world's digital sectors, China intends to build its advantage in this new field and act as a shaper, rather than a follower, in the formulation of related global industry standards. In recent years, there has been a remarkable boom in China–Gulf co-operation in 5G, artificial intelligence and other innovative technologies – even amidst the growing China–US tensions – and the Gulf has already become China's second-largest overseas digital market following Southeast Asia.

Many of these trends were embodied in the three-day visit of Chinese Premier Xi's visit to Saudi Arabia in December 2022. The two states released a 3,978-word statement effusively cataloguing the range and depth of their allied interests – including energy alignment, space exploration, nuclear energy co-operation, and, of course, non-interference in internal affairs. While such statements and visits are important, commentators often seem to get carried away in their rhetoric. Overall, the sense is that China and the Gulf are inexorably coming closer together. China alone imports over 1.76 million barrels of oil per day from Saudi Arabia, making it Beijing's number-one supplier. But until something changes herein, such as oil pricing being in yuan and not dollars, then, aside from general fanfare, nothing much is changing – at the moment, at least.

Most strikingly, the March 2023 announcement of a Beijing-moderated détente and reopening of relations between Saudi Arabia and Iran demonstrates a notable shift in China's role in the Gulf region. The impact of this move can be overestimated. Such a mediation does not relegate the US position significantly, at least in the short term, and the real fruits of the mediation need to be measured in years, not days or weeks. Equally, there is little doubt that this development is significant. It represents the first large-scale successful diplomatic initiative launched by China in the Middle East in the contemporary era. Moreover, China was able to affect a restoration of relations that no other power could have undertaken. While the US may well remain the dominant state in the region in many ways, and nor is Washington likely to lose this title any time soon, quite demonstrably a US president could not have accomplished this kind of resolution. US-Iranian relations remain frozen in deep acrimony, and DC's working relations with Saudi Arabia are barely more than lukewarm.

Conclusion

In short, although it entered the Gulf much later than the Western powers, China endeavours to establish its advantage by representing a non-Western option. Despite queries about whether Beijing can continue the non-interference policy when its economic presence burgeons, it currently enjoys acting as a limited player with a role different from and supplementary to its Western counterparts. So far, the Chinese approach is well received in the Gulf, which, in Prince Turki bin Faisal Al Saud's words, takes China as 'not necessarily a better friend [than the Western powers], but a less complicated friend'.

10 'To create an "upgraded version" of China–Arab relations, Xi Jinping plans this way (dazao shengjiban zhonga guanxi, xijinping zheme pohua)', Xinhua Net, July 12, 2018, http://www.xinhuanet.com/politics/xxjxs/2018-07/12/c_1123113853.htm

11 'Let China–Arab friendship surge forward like the Nile (rang zhonga youyi ru niluoheshui benyongxiangqian)', People's Daily, January 20, 2016, http://politics.people.com.cn/n1/2016/0120/c1024-28068370.html

Recommendations for policymakers

Work together to build infrastructure in the Gulf

Set against a sporadically frosty UK–Chinese backdrop, there are opportunities for mutual benefit for both states in the Gulf region, such as in infrastructure. In June 2019, China and the UK signed a Memorandum of Understanding (MoU) on third-party market co-operation.[12] As a promising construction market with comparatively abundant funds and low political risks, the Gulf appears to be a promising starting point for the two powers to put the MoU into practice. Given China's strengths in production capacity, cost control and supply chain management, and the UK's advantages in design, technology and management in the construction field, developing what Graham Stuart, then British minister for investment, called 'a win-win-win' model[13] not only better accommodates the development needs of the Gulf countries, but also helps alleviate the growing competition in the infrastructure market. Moreover, given the furores that erupt concerning the treatment of migrant workers in the Gulf region, working in this kind of trilateral way, with each party bringing to bear its particular talents, offers an opportunity to implement a new model for construction and infrastructure development in the region.

Seek co-operation in promoting green development in the region

Holding the belief that problems in the Third World are rooted in underdevelopment, Beijing actively provides investment in Asia, Africa and Latin America. Across the Gulf, China has not only invested immensely in infrastructure construction, but also in major renewable energy projects including the establishment of concentrated solar power plants as a response to local demands (as demonstrated by the Middle East Green Initiative). Joint efforts between China and the UK – a power with a well-established financial system and rich experience in green finance – enables the Gulf states to leverage expertise and financing from both sides.

Co-ordinate policies in maintaining the region's political stability

Despite the competition and differences between the two sides in the region, China and the Western states share the mutual goal of keeping regional stability. Beijing sees itself as a neutral 'friend' or partner to all sides in the Middle East, and a power that maintains an intimate relationship with both Saudi Arabia and Iran, In this way, China is interestingly placed to act as a mediator on some level if required. At this point, Beijing's and London's interests align, and by maintaining dialogues and co-ordinating policies, the two sides could contribute to reviving the Iran nuclear deal – or some future iteration thereof – while in the interim preventing the escalation of disputes between Riyadh and Tehran.

12 'China and the UK signed Memorandum of Understanding (MoU) on third-party market cooperation (*zhongying qianshu guanyu kaizhan disanfang shichang hezuode liangjie beiwanglu*)', June 18, 2019, http://www.scio.gov.cn/31773/35507/35519/Document/1657211/1657211.htm

13 'China–Britain cooperation faces promising prospects: ambassador', June 27, 2019, http://www.cccuk.co.uk/2019/06/27/c_123.htm

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Lau China Institute

Bush House, North East Wing,
40 Aldwych, London
WC2B 4BG