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QI Panel:

Possibilities and Perils of China's Presence in the Middle East

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Jake Werner 0:49

Welcome, everyone. This is the Quincy Institute webinar today: Possibilities and Perils of China's presence in the Middle East. My name is Jake Warner. I am the Acting Director for the East Asia program at the Quincy Institute. And I will be joined today by an all star panel of experts on China, Middle East and the United States and the relations amongst those three key actors in this time of very intense conflict and searching for answers to those conflicts. Now, in recent years, China has, the Chinese role in the Middle East has grown more and more that has occasioned very strong hopes and fears amongst regional actors, great powers in the region, and Chinese policymakers themselves. Today, we're going to be discussing what the basis of those hopes and fears are, what the possible paths into the future are, how these how China's presence in the Middle East will affect actors in the Middle East and US interests as well. As well as possibilities for improving the current course of events. I'm joined today by Trita Parsi, Trita is the Executive Vice President at the Quincy Institute and an expert on U.S.-Iranian relations, Rouhani and Foreign Policy in the geopolitics of the Middle East. Also with us is Yu Jie. She is a senior research fellow on China in the Asia Pacific program at Chatham House, focusing on the decision making process of Chinese foreign policy as well as China's economic diplomacy. And Jie is joining us from China where it is quite late. So many thanks to Jie for taking the time and hope your recent travel to China was was smooth. Finally, joining us is Bill Figueroa. Bill is an assistant professor of history and theory of international relations at the Union University of Groningen, where he teaches and carries out research on China in the Middle East and Sino-Iranian relations. I want to open the panel with sort of a scene setting question. I'll begin with Trita, I wonder if you could give us sort of an overview of the Middle East on its own terms. What are the key developments and trends of the last decade so we can understand the context within which China's expansion of activities in the region has landed?

Trita Parsi 3:28

Thank you so much, Jake, it's a great pleasure to be with you and with all of the other panelists. I think we've seen some dramatic changes in the Middle East over the course of the last 10-15 years. And one of the most important developments is that the region or the majority of the regional states that tended to have a strong relationship with the United States, for quite some time were adamant about keeping the United States as a major security partner in the region, and wanted to stay within the American security umbrella. Over the course of the last 15 years, I think we've started to see a change in that, in the sense that particularly after the Trump administration's decision not to strike Iran after the Iranian attacks on Saudi oil fields in 2019, a realization came to many of the leaders in the region, which is that the United States is not the

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reliable partner that they believe that it was. And that then led to a change that I think Washington predicted the wrong way. Washington predicted that if the United States doesn't assert a very strong security role in the region, the region itself would descend into chaos. But what we saw immediately after what happened in 2019, is that rather than increasing tensions between various states in the Persian Gulf, instead you had a shift towards diplomacy in which suddenly the the states who otherwise had preferred to hide behind American power, and frankly had pursued reckless policy because of the belief that they had American protection, started to engage diplomatically with their neighbors, moderating their policies. Because suddenly, when you can't hide behind American power, it makes much more sense than to pursue diplomatic solutions and coexist with with your neighbors. I think that trend is continuing, despite, of course, what is happening right now in Gaza.

But in within that trend has also emerged a second phenomenon, which is a far greater desire to see China play an increasingly important role, not necessarily a security role, but as a potential balancer as an option that states would have, particularly if they feel that the US' reliability is under question. And particularly if they feel that China offers them an opportunity to perhaps play the US against China. There was no interest visible from the Chinese side up until about six months ago, or a little bit more than that, when we suddenly saw that the Chinese did play a very important role in the normalization between Iran and Saudi Arabia that in turn has now created a demand for China to play a role in a large number of the various conflicts in the region, which I'm not entirely clear that China is ready for.

Jake Werner 6:34

Thank you, Trita. Let's turn to Jie. Jie, I wonder if you could bring in China's perspective on this. Could you talk a little bit about the motivations behind China expanding its presence in the Middle East? And what its goals are for for expanding that presence?

Yu Jie 6:56

Thank you, Jake. Good morning for everyone who joined from United States and also good afternoon for those who joined from London. Really delighted to be here and join Quincy. Now to answer your question, I largely agree with what the drafter said regarding China's role vis a vis current mediation effort on the Israel Gaza conflict that seems to be something quite tentative so far. Now. I think overall, China's population in here is largely less based on a strategic competition with the United States was in the region, but rather to carving China's own space in terms of pushing towards a multipolar world order. I think that's really the first order question for China's role in the Middle East. But of course, we also come have to balance the economic benefit, and also the potential security risks by engaging with them MENA region and also specific Middle Eastern countries. So I think what China's really intended to do has really shifted from purely an economic calculation back to 2016, up into 2019 onwards, then gradually and try to shifting insurance warming's role into something much broader, not exactly necessarily by replacing the vote and feel the vote that lifted by United States but having a security umbrella, but the rather large he wants to be perceived itself as being a neutral force, a neutral power was

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in the region that seems to be accepted by most of the major government is and major parties was in the region. And so we can see from this settlement between Iran and the Saudi that kind of been largely perceived as a great power that is able to holding both Iran and Saudi accountable in this regard. Now, I think the second layer in here, we have seen quite a lot of policy consistency regarding China's foreign policy towards many developing countries or non western countries in itself, that is to say, that China share a lot of in common of the past history regarding decolonization was many countries in the Middle East. So trying to play that card very well, by suggesting that well, Mideast need to be governed by people and government from the region, not necessarily but external forces. So I think Beijing made argument very loud and clear, and particularly clear when it comes to put forward a so called two state solutions in the current Israel, Hamas conflicts as well. So I think that layer of that shared past history has been utilized very well by Beijing to now, I think, lastly, in this regard, and what we have seen so far is also that China's intention wants to play a much larger role by using you and lead platform. So it's not necessarily everything has to be resolved under the framework of G7, or the developed country. But however, I think what China's also pushed forward in here is trying to utilize in a UN led agency and expanding the role of UN for that multilateral platform that would be able to add it China's preference sits in here. So I think from these three elements that really is China's essential goal, try to engage He was the Middle East region. Let's not really just repeating thoughts sake of economic benefit, but I think something slightly larger than just economic and commercial benefit overall in here.

Jake Werner 10:12

Thank you. Thank you. Bill, I wonder if you could address some of the key bilateral relationships between China and regional actors. So Foremost among these would be Saudi Arabia, Iran and Israel. Can you give us sort of a general characterization of of the recent direction of relations between China and those, those key players?

William Figueroa 10:36

Yeah, absolutely. Well, first of all, thank you for having me. Very happy to be here. So to answer your question, let's start with Israel. China has a fairly robust board had until recently, I would say if and still, to a certain degree has a fairly robust relationship with Israel, mostly based on economic connections. In particular, Israel plays an important role. It's kind of like a research and development lab for Chinese companies who often don't have access to high tech equipment to carry out their own r&d. But that was really put into jeopardy a couple of years ago, starting with pressure placed upon that relationship by the United States, starting with opposition to things like the adoption of Huawei 5g technology by Israel, and also things like China acquiring certain development projects in places like the port in Haifa. So generally speaking, the relationship was fairly strong, but not the strongest, there was always a bit of a hesitation on the part of Israel to fully commit to China because of pressure from the United States.

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And that has increased even more so since the October 7 attacks by Hamas and the subsequent Israeli siege of Gaza. Because Israel has been quite unhappy with China's response to the to this incident, their initial response was very, I would characterize it as quite balanced in the sense that it really blames neither side, I didn't really call up anyone and for Israel in the United States, this was basically perceived as not pro Israel enough, not sufficiently supportive or sufficiently sympathetic towards the victims of the October 7 attacks. And then ultimately, as Israel's siege of Gaza became more and more intense, and attracted a lot of international criticism. China also became what I would still describe as offering a mostly moderate criticism of Israeli behavior. But enough that at least for now, diplomatic relations between China and Israel are a bit more on ice, those economic connections persist, I don't see them going away. But they're a bit chilled for the moment. And I kind of see the same in other parts of China's engagement with the Middle East, which I will just to briefly characterize there's has been a lot of investment in the Middle East, especially within the GCC countries recently. Specifically, in in the fields historically, rather, I should say, historically, in the fields of gas and oil development, but more recently, in other fields like high technology, transportation, China's really interested in developing the region, not just for oil and gas extraction, but also as a future marketplace and a transit hub for Chinese goods as part of the Belt and Road Initiative. But generally speaking, these investments have focused on countries like Saudi Arabia, Turkey, Pakistan, Iraq, the UAE, Oman, all of which have their investments measured in the number of billions where Chinese investment is not focused, which is where I focus a lot of my attention in my research is in Iran, you may have heard a lot of talk about, for example, the \$400 billion deal that was signed between Iran a 25 year agreement. This is the number itself is I mean, it's almost a fantasy. The amount of investment coming into Iran from China at this point is measured in the millions, not the billions. And you can really see the difference when you look at countries like Saudi Arabia, where just last year they signed, you know, \$10 billion or more worth of, of air over the last year of investments that projects whereas in Iran, they actually canceled to one of the most significant and longest running projects in Iran their development or their potential development of the Yadava on oil fields, which they had been negotiating and refusing to commit to on and off for over a decade now and was finally sort of unofficially still but but most but quite clearly finally pulled out of it. And you know, Iranian officials are aware of this they're not happy about it, but they really don't have much they can do about it. You know, China, China's purchase of Iranian oil is quite important to Iran. And China is rather happy with the situation where Iran doesn't have the ability to sort of assert itself regionally, because of the conflicts that it's had with its neighbors.

And that's one of the reasons why Iran China was interested in helping to brokered this agreement between Saudi Arabia and Iran that we saw back in March, the normalization deal. But again, I should emphasize just echoing Trita's point earlier about whether, you know, China's ready to negotiate and other conflicts, this was a very specific scenario, where for all the reasons that we've been discussing that she brought up, Iran and Saudi Arabia were looking to, to foster a deal with one another. There was simply a lack of trust, and really a negotiating table, so to speak on both sides. And China was able to play that role in most of the other conflicts that you're seeing right now, whether it's between Iran, and you know, indirectly in Saudi, Israel through the Houthis, or Hamas or Hezbollah, or more directly between Israel and the

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Palestinians. These are not analogous situations, it's like apples to oranges. And for all the reasons I described China's relationship with Israel, and Iran is not like strong enough to even apply any amount of economic pressure that might, for example, cause one party to substantially change its behavior or come to the negotiating table when it's not willing to. So generally, I would say that China's you know, influence in the region, economically, it is a heavyweights. With some exceptions, like Iran, where investment has fallen, as has been falling behind for a lot of reasons, mainly the sanctions in the case of Iran. But diplomatically, it's still a bit of a lightweight and militarily, it's still I mean, I would say it doesn't even really register at all. Yeah, so that's, that's kind of my assessment.

Jake Werner 17:00

Great, thank you. Alright, so now that we have kind of a sense of the broad landscape that we're dealing with, let's let's dig in a little bit on some of the recent developments in the region. Of course, by far the most prominent is the the explosive return of the Israel Gaza conflict. Trita, could you could you talk a little bit about China's perspective on this, what they've done diplomatically, there's been quite a lot of sort of back and forth in the American media about whether China is is hostile is supporting Iran and supporting the Palestinians against Israel is contrary to American interests on this. What's your perspective on this question?

Trita Parsi 17:42

I think if we take a look at what the Chinese have done so far, in this, one can hardly claim that the Chinese are trying to undermine the United States. If anything, they've had to be involved, because they chaired the Security Council in November, if I'm not mistaken, which meant that they had to take on a stronger profile and dig a little bit deeper into this issue. My own conversation with Chinese officials have left me with the impression that they were actively looking to see how they could play a diplomatic role in this. But very specifically, they seem to be at least that was my take away, looking for ways in which they could partner with the United States, in order to play a role not to enter this in a way to undermine the United States. If they wanted to undermine and embarrass the United States right now, frankly, let's be honest, it would not be particularly difficult for them to do so, mindful of the Biden administration's policy and the complete erosion of much confidence and trust in Dubai administration in the region, because of the refusal to support a ceasefire to two vetoes in the Security Council and this extensive support for the manner in which the Israelis have conducted this war.

But that is not the path we see the Chinese go. I mean, we can see that the Russians have tried to take advantage of it, but not the Chinese. And I think that reflects a desire on the Chinese part to use this as an example to showcase to the world and the United States. The benefits of the United States and China collaborating on issues of this kind, and by that perhaps dispel some of the anxieties that exist in the West, in terms of what does it mean if China becomes a global player, not just a regional player in Asia itself. Now, of course, there doesn't seem to be a tremendous amount of interest in Washington for China to play any role, whether a disruptive role or a collaborative role. But as this conflict continues, and unfortunately, it appears that it will,

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I think we may see some changes in the dynamics there. I do not view the Biden administration's policy to be sustainable. War for a variety of factors that we can go into. And at that point, it will be interesting to see if Washington perhaps we'll see some utility of a greater Chinese profile as long as of course it is collaborative with the United States

Jake Werner 20:14

Yeah, that's very helpful. I should remind all those in the audience that we will be taking questions from all of you at the end of this program. So please feel free to throw those questions in the q&a as we continue to talk and we'll come back to them. Jie, I wonder if you could talk a little bit more give us more detail on what Chinese diplomacy has looked like in the region? Recently, I'm interested in understanding both the economic and and the security oriented issues, as well as these, these larger global initiatives such as the Global Development Initiative, the Global Security Initiative, how the Middle East might play a role in these larger frameworks that China has been developing.

Yu Jie 21:02

Thank you, Jake. Now, to answer the question, I mean, entirely agree was what Trita just mentioned in here, that China's tentatively diplomatic role within the region. Now let's start with the economic strand. And of course, the economic tie that between Beijing and various capitals of Middle Eastern countries has been particularly strong. I think this also given the fact that China also viewed Middle East as a market, that a very much a market, it is not based on market economy that is very comfortable to have, that Beijing is able to negotiate government can't govern the contracts through the Belt and Road Initiative, or through the Global Development Initiative. So that is something doing China's own benefit for it. And also, nevertheless, if you look into the ranking regarding who petrol and oil and gas and suppliers towards China, I think they're largely primarily Middle Eastern countries, and the Russia was only ranked number four in that regard. So that indicates to you that close energy cooperations between China and various countries from the region. Now let's put economy aside, now, when it comes to the Initiative on Global Development Initiative, and also GSI, the Global Security Initiative, it seems to be two so far, for me, the most ready among the three Ds are the so called Global Development, actually, so far, and Beijing has obviously, pouring to some power, some dollars and pounds into it, I think what they're doing is trying to do is trying to testing whether this whole narrative on the GDI that but utilizing by providing much smaller scale, infrastructure, not just based on physical infrastructure, but also more more importantly, based on digital infrastructure, that can actually work for both China's benefit, but also for the regional benefit as well. So I think the GDI, so far, seems to be the most flourished, one was in the region. Now, the GSI come much later, like one year later, and so.

But again, let's see if Beijing is able to pull off on the so called participation on the mediation between Israel and Hamas conflict, and that perhaps we'll be able to shed some light on what Beijing actually wanted to, perhaps because statements are statements issued on GSI. But when it comes to implementation, I think Beijing still falling short at its most guard, and I think

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many, particularly in Washington, or in London from very confused about it. But nevertheless, I think the Europeans view China's role in this Israeli conflict seems to be much up, perhaps more different than compare was in Washington. We're seeing here that Europeans do not really see China as being a disruptor, in the Middle East region. But somehow having that very interesting combination between on the one hand, that hope China will be able to hold back Iran to do anything crazy. Whereas on the other hand, also, China and United States can actually work together to prevent another much larger scale regional conflicts, because obviously, what happened was in Europe, let's not even mention Russia and Ukraine work that happening at the same time, I think, really, from the European perspective, that really much hoping China would actually be able to join force with the United States and to manage somehow on this regional conflict. So that is one, not there. Lastly, in here, I think what we have witnessed so far is that term of the global cells largely included in the middle eastern region, but let's not use the term global south in here, because we're still very, very hard to define what the global south it is. But what I've run out call it in here as the so called Global majority, that seems to be the global majority that share many views. was China in common? That is to say that many of the Middle Eastern countries was much hoping that they'd be able to conduct his own diplomacy or in its foreign affairs or domestic affairs, that by themselves, not necessarily by the external forces through external intervention.

I think what China really proposed on this global security initiative that really reflecting on that idea that somehow some of the Middle Eastern countries, I think, particularly Egypt and Iran taking that very seriously. So Beijing want to see whether this experiment and the GSI was able to work in this particular region. I think this is three things betting really have in mind regarding the diplomatic engagement in recent years. And again, I think the earliest white paper we have seen so far China and the MENA region, China Metis, the white paper on the issue back to 2016. Perhaps that given the current situation unfold, and that would really serious require update. And also given the deeper as the crisis goes that what I realized is that Chinese experts to start immediate use has expanded enormously in the recent in the recent year, I think by having that expansion that is already also reflecting on the policy priorities and diplomatic priorities that China has been given. So on the one hand, Beijing has run a fraught relationship with the West. Whereas on the other hand, I think they've been felt, rightly or wrongly, that developing its relationship with the Middle East, perhaps is really a way forward to managing this quite volatile relationship between China and us lead West.

Jake Werner 26:34

That's very interesting, though, I wonder if I could get your, your view on on the similar set of questions that Jie was just addressing. The the discussion in the United States has become quite heated around this. There's a lot of a lot of people throwing around the term Axis of Evil again, now the x and the new axis of evil is China, Russia and Iran and maybe North Korea. What do you think we can take? Just based on China's recent diplomatic record, its response to the to the Israel Gaza conflict, the both its sort of like diplomatic response, as well as the substance of it. There's a there's a question in the q&a about what what exactly China's support for a two state solution means? What do you think we can draw? What kind of conclusions can

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we draw about the kind of the aims and character of of tiny statecraft and Chinese goals and the reason?

William Figueroa 27:32

Yeah, I mean, I think there's there's no question, you know, as we've said, that, that the United States not only isn't comfortable with certain Chinese initiatives in the region, but actually just any Chinese initiatives at all. I mean, it warned Saudi Arabia off of trying to work with China, although it wasn't effective. It successfully pressured Israel off of Chinese technology several times. And it's also its initial reaction to the Iran Saudi normalization deal was quite negative, so much so that it actually had to make an about face almost immediately, because some of the most seasoned diplomats were coming out and saying, Whoa, whoa, whoa, this is a bit of an off response, because anything that will lower the tension of conflict, you know, in that area is at should be welcomed by the United States. And then they had a kind of amusing reaction the next day, which was like, Well, you know, what, China, if you think you can take care of you can, you know, bring peace to the Middle East, you You try? This is your turn now, basically, you know, it's almost like childish in some ways. But I think that this, this is a tendency from the west and from West, some Western policymakers and American policymakers, I should say, in particular, to see this as a kind of sky is falling situation. I mean, I've been following this since that 25 year agreement between Iran and China's and it's was signed, and it was all the sudden, you know, that was really when you first started to see that Axis of Evil terminology thrown around. And my response has consistently been if you look closely at the actual substance of what China's doing, it does not match the sky is falling rhetoric. it much more matches what I think has been China's historical relationship with Iran and with other parts of the Middle East, which is that it's been consistently interested in managing this relationship because it sees it as important. But it's also been consistently limited, limited by their relations with the United States, not in the sense of a competition. But quite the opposite, that China's aims in the Middle East are to expand economically, to project power diplomatically and to do things that will reduce the way in which the United States sort of control of or managing of the kind of global security system creates risks for China, but while reducing the or reducing the risk that it makes for itself, right there.

China benefits in a lot of ways from the way the global economic system is set up run by the United States, it has no ability or desire to yo replace the United States as a security arbiter in the Middle East, and you can see that quite clearly, if you read Chinese Think Tank reports and academics, you know, they all actually point to, to the United States is adventures in the Middle East as their major weak point and sort of producing a lot of negative effects for the United States that they would like to avoid. So I think that that's really about managing that situation is sort of reforming the global system to reduce the amount of risks that it poses to China, while not upsetting relations with the United States, too much, right. There's some elements of it's always good to be seen opposing the global hegemonic, but ultimately, time and time again, when the when Chinese activities in the Middle East have to strongly run up against us opposition, they tend to back down. And then again, if you so again, to look substantively at it, like the relations with Iran are quite limited, but also at their most recent diplomatic efforts, it

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relates to the ISRAEL PALESTINE crisis, as treatise said, I very much agree that there's not much of substance there. And they were very much on a listening tour of kind of trying to support regional initiatives that was kind of the watchword and this is something similar, that I wrote about, with regards to the Iran, Saudi Arabia deal that it was a regional, regionally driven negotiation with, you know, a kind of Chinese bringing it across the last 5%. And that's really the extent to which China has the ability to be involved here. So I mean, you know, there, it wasn't Wang Yi, the Chinese foreign minister that went to China to the Middle East, it was Jai Joon, the Chinese as sort of like Special Envoy for Middle Eastern affairs, and he kind of went around and there wasn't really much expected to come of that within China. So I would say that what I would draw from it is that we, you know, there's not, there's not that much to be afraid of, even if you were to take the perspective of US officials, that China's activities in the region are threatening, they are quite often overblown. And I think that you know, more than anything else, you know, US officials need to accurately understand what it is they're dealing with. Otherwise, they are going to sound like a bunch of Chicken Littles, to anyone who has actual regional expertise and knows what's going on in the region.

Jake Werner 32:28

Yeah, thank you. I want to finish our discussion, before we turn to q&a with with sort of a now the US has has come up many times here. Obviously, the United States role in the region is, is very strong and obtrusive. And it's quite clear, I think, from the discussion that US leaders, the anxieties that US leaders fears or fear, anxieties that US leaders are showing around Chinese activities in the region, are quite strong. So I wonder treaty, Could you could you talk a little bit about what the US response has been to Chinese initiatives thus far what what attempts United States has made towards countering China, and what you think a different and more productive path would be for for US leaders. And you're muted.

Trita Parsi 33:23

Thank you. I think Will covered it quite well, if I could say a couple of things on the Saudi Iran deal that I think goes to what you were saying here. When you take a look at the timeline of that negotiation, there's some different narratives here. But something happened when she visited Riyadh in December of 2022. And then there was a visit by Raisi to Beijing in February, between February and March. That's where apparently something must have happened. And it's very unlikely that that deal could have been struck in such a short period of time. Clearly, this is something that both the Omanis, the Iraqis had been involved in, much progress had been made over the course of the years. However, as much as Washington tried to belittle China's role in that negotiation, I think it's very important to point out that a critical missing component that existed between Saudi Arabia and Iran, and will is absolutely right, These are two countries that really wanted to make things work. They were both in a situation of a mutually hurting stalemate, and they needed to get out of it. What they lacked was some form of a guarantor that would be able to fill in the trust gap that existed between them. So it's not that the Chinese necessarily had the diplomatic expertise to be able to maneuver all the different details of the Iranian Saudi conflict, but they could come in and inject a degree of confidence and trust on

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both sides, that the other side would be unlikely to break the agreement, because of the cost that would impose on that side in terms of that size relationship with China. That's the role the Chinese played in that deal and I think it's a very important one, because in many negotiations, in fact, is a good example. Even when there is a desire and mutual desire for a deal, it does not mean that a deal can be struck unless there is something there to bridge the trust gap. China was in a position to do so because of the fact that it has not embroiled itself in all of the conflicts of the region. The United States has. In fact, the United States is in a position in which whenever it wants something done in the region, it will need a mediator to help it, rather than the United States itself being the mediator. In fact, the state of our diplomacy is in such a state that the Qataris, who are currently mediating between Israel and Hamas, are mediating between the US and Iran, are also the ones mediating between the United States and Venezuela, a country in our own hemisphere we cannot talk to, so we have to have the Qataris help us with our mediation. It tells us something about how much our credibility has been hurt by pursuing a policy in which we get involved in conflicts instead of actually playing the role that the United States at least in the past desire to play, which was to be an honest broker. We don't even use that term any longer, because it's no longer necessarily even a desire for us to play that role.

The Chinese have the ability to do so. And I think the initial reaction by the United States beyond it actually being quite surprised, and by the Saudi Iran deal was to be little China's diplomatic role in the in the mediation, and there's some truth in that. But the part of it, that is not true, and that is crucial, is the ability of China to be able to breach the trust scrap. Now, perhaps down the road, the United States will develop an appreciation of what the Chinese can do, particularly if China continues to show that it is not seeking to get involved in these in the region politically, to embarrass or to push out the US, but to partner with the US and show how not only conflicts in that region, but elsewhere can be resolved if the United States is willing to treat China as an equal which so far we have seen, not that much desire on the USA to do so.

Jake Werner 37:37

Can you, this is a question that a member of the audience has brought up in the q&a as well, why does China still think it can cooperatively deal with us when the US has made it clear that we'll never accept China as a global power? What do you think? And I'd like each of the panelists to talk about this a little bit, but Trita, what do you think? Are the indications that the US is moving in, in a more constructive towards a more constructive view of the possibility of Chinese leadership in international affairs? Why do you think the indications we should look for would be? And do you think there's there's anything we we Americans can do to encourage this outcome when the, when the view seems so established in the foreign policy establishment, that that any initiative China takes must be threatening to the United States?

Trita Parsi 38:30

I think both Bill and Jie our better position to answer this question than I am. But let me give a very brief attempt at it. I think, first of all, when it comes to whether the US is open to it, I cannot claim to have seen any clear indications thus far, for an American openness, I'm very pleased to

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see that there's some form of reduction of tensions between the United States and China, how strategic that is and how non tactical it is, I'm not confident about at this point. But I think one of the indications that we might be able to see is that once the current conflict has come to some form of an end or to a new phase, whether there is a willingness on Washington side, not to take the lead for a diplomatic process in the Middle East, but actually be more of a facilitator and then collaborate not just with China, but with other great powers, in that instead of insisting that the only solutions that can come to the Israeli Palestinian conflict and other conflicts in the region is a US led process. I think we have to reconcile with the fact that the United States does not have the credibility at this point to lead. It should be a part of it, US cannot and should not be excluded, but leading is a different thing. And then the alternative to leading could be something in which the US would be welcome, I mean of China to play a greater role in a process that is led by the region, but is supported by the US and China and other great powers.

Jake Werner 40:11

Thanks, Trita. Jie, I wonder if you could you could address these questions. And maybe bring in the perspective from from London. How do these issues look from from the standpoint of Britain and Europe? What what would be? What would be a constructive set of policies for for US leaders as they think about the challenge that China poses in the Middle East?

Yu Jie 40:33

Well, I think obviously, thing from Europe, they treat China as quite different player. That, essentially is what China does, but not necessarily what China is that regard, then when it comes to the so called a global diplomacy, I do not consider that Europeans would consider that diplomacy was China's really very much in a zero sum game, as in the United States, that very much view everything is through the US one and China must lose in that regard, I think really seeing from Europe. I think the damage in here is that European simply cannot cannot handle two wars at the same time, that given the ongoing conflicts between the ongoing war, Russia and Ukraine, and that Europe was much hoping that the assistance that United States will be able to provide towards Ukraine would be continues to continue to be so but not necessarily just being because the United States has not been grappling by both worlds that much of the tension has now been shifted to the Middle East, and hence, the left Europeans themselves along. I think that's largely the major worry of Europe, of the European policymakers. So naturally, that any initiative that is really a tribute to the peace process, and he needs ships that will be able to help with a ceasefire, I think that's something Europeans naturally will be able to more than welcome to.

Now, in this case, that also reminds me, let me think about what happened back to 20 years ago, when George Jr. Bush declared war on terror, that the Chinese then foreign president downs, I mean, I really agreed to support the want arrow process of the United States at that time, and hence, bid around 20 years of peaceful time between China and United States. And perhaps I think this time, that the Chinese leaders may use the very similar recipe, again, that hoping to be able to have some kind of play a meaningful role in the ceasefire between Israel

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and Hamas, and Israel and Gaza, that China again, wouldn't be able to reset and continue to reset his relationship with the United States. I think there seems to be some kind of views in representative among the academic debate these days regarding, firstly, what China can play, and secondly, how whether United States will be able to change his perception towards China, even if not change some 100%. But whether we'll be able to shaping into something more positive term. That is something has been widely debated, was in Beijing these days, I would say.

Jake Werner 43:14

Thanks. Thanks. Yeah. Bill. Same question, basically, for you. What what what could the US be doing here that that would encourage peaceful relations amongst different players in the Middle East, while still looking out for US interests? And what do you what do you think the prospects are for for moving that direction?

William Figueroa 43:33

Well, I mean, I could give you a laundry list of things that you and I both know, the United States is never going to do. And so I won't waste anyone's time by doing that. But, you know, unfortunately, I think that there are a lot of obvious places where, you know, one could try to address the grievances of people in the region to reduce the potential for conflict, or even tried to find places where China and the United States could more easily cooperate, for example, I mean, both parties are quite invested in reducing things like the rockets being fired towards us bases that might escalate the conflict right now. But unfortunately, I just don't think that there is the political will us to do that right now. I mean, just today, I think actually, it would the US Ambassador to China, Nicholas Burns, he called the relationship between China and the US as defined by strategic competition, but must involve engagement. Where are the interests of the two countries alive? Right. I mean, this this, I think, says it quite clearly, to me, this is the US is approach. They're going to view China as a sort of sis, they call them a systematic rival. And that's going to color the way that that the United States engages with China and views China's engagement in the Middle East.

I mean, to me, there's no more insane policy that I can think of then to have for the United States to be having a trade war with a country that is the most furthest ahead on green technology, for example, and then opposing, you know, there and getting into sort of diplomatic and strategic clashes in the region that's, you know, the center of fossil fuel production. I mean, this is absolutely insane. There are obvious places, and ways in which, you know, both China and the United States and the world would benefit from a more rational and a less, a more level headed policy, I suppose. But unfortunately, unless the United States changes its mentality towards even something as simple as as needing to oppose Chinese maneuvers in its own backyard in the Indo Pacific region, I don't think you're going to see a change in that approach. What can we do? I mean, we can criticize it, we can raise our voices as loudly as we can, that the world needs China and the United States to find more places where their interests align, and less that look like a systematic strategic competition. That's what I try to do at least.

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Jake Werner 46:09

Thanks. Well, um, well, this has been a wonderful discussion, I want to I want to turn to some some more specific questions in the q&a. But I do want to just summarize for a second what I've heard some of the some of the key themes here. First, the China's engagement in the region is, is relatively light, in particular, in the diplomatic security realm, far, far greater influence on economic questions, but the capacity and ambition of China to play a role in resolving some of the some of the armed conflicts in the region is really in question. But But and I think this this point that Trina made is also very interesting that China has an interesting potential to play a role here, despite the fact that it has relatively limited capacity to to impose any solutions, because it can, it can offer its good offices in a way that that other powers outside the region no longer can, it really is a more neutral player in the region, and can can potentially bring, move diplomacy along in that direction. I want to raise some of these questions from the q&a. I'm just going to read a few of them. And then I'd like each of you to whoever wants to handle them can do so some of these are just points of information.

But welcome your analysis coming out of this. What is what is China's position on the JCPOA? Right now, if China was was was a party to the agreement, and how does it think about it now? Joseph Gerson asks, what are the members can address the level of security related arms and technology transfers in the region coming from China? And then the the issue of Xinjiang is realistically, does the Xinjiang issue in any way affect the relationship between China and the Arab states? And its citizens given that given that most Uyghurs in Xinjiang are Muslim, what is the sort of connection of religion between China and Middle Eastern countries that are majority Muslim? Finally, as China has signed a strategic alliance with the Palestinian Authority, and President Abbas went to Beijing, what does that actually mean? It does not seem to be an evidence in the current Israel Gaza conflict. So maybe maybe we can start with Bill and you can you can talk about the JCPOA. And China's, China's perspective on this.

William Figueroa 48:34

Yeah, sure. I mean, this is an easy one. Yes, categorically China was a fan of the JCPOA. They actually helped it to be adopted by consistently advising the Iranians behind the scenes, that they should be more flexible and negotiate with the United States and, and in fact, coordinated with the United States a few times, just in terms of, of kind of saying, Hey, we know that you're having trouble with the Iranians, we are telling them that we also want them to negotiate with you. Because of, you know, fundamentally, the the situation I described where China's reluctant to invest in Iran is not because they don't want to, it's because they fear the sanctions. Basically, it complicates things immensely. Now, there are a lot of other problems. It's not like without the sanctions immediately, you would see this flood of Chinese investment into Iran. But it is the biggest one, if you look at for example, the arrest of Hmong Juancho, the Huawei executive was about related to evading the sanctions on Iran. So that's a big part of it. And they've been consistently pushing that and basically telling the Iranians that, you know, when you finally get a deal with the United States, that is when you will see more investment from us. So that's been a

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fairly consistent position. And I think it makes a lot of sense both from their personal reasons, but also that they have no interest in any kind of you know, additional A regional escalation with regard to Iran's nuclear program.

Now, there are some who say that, you know, that the the situation creates a benefit for China, because they're kind of like a captive market for Iran. China was not doing so well, in Iran, when when European countries could compete with them there, for example, a lot of Iranians actually complain that before the sanctions, they had access to all sorts of European products, and now, they only have access to, you know, cheap Chinese products. And they, they see this as like a point of criticism against the government. But I think that China would, would be happier with a situation where they can freely invest in Iran, even with competition than one in which they have to keep all of their investments very limited, and fear any sort of long term situation. And also that the, you know, the amount of the benefits to the oil of the oil that they're buying, are not really going to the state so much, most of the oil that's purchased by Chinese refineries are purchased by these these so called tea pot refineries that are basically privately owned enterprises. And they're buying them largely because the Iranian oil is discounted, when the Russian oil briefly was less expensive than the Iranian oil, Iranian illicit imports, you know, evading the sanctions dropped to almost zero to China for a brief period. So there's not so much of a hugely significant relationship there. So I think they would welcome the JCPOA on all levels.

Jake Werner 51:28

Right. And I think that's an interesting point, I think very often American from from the US perspective, what what is Chinese behavior that's motivated by by market, or economic aims, is interpreted through a securitized lens, and seen as part of sort of a plot against whatever against American interests or against whomever? Yeah, Jie, could you, could you could you address this question about Xinjiang? We've talked primarily here about about security relations, war and Peace. The issue of human rights, religious rights, is often sort of marginalized in in, in diplomacy, what role do you think that the accusations that the Chinese government is engaged in large scale, even crimes against humanity, motivated by essentially by religious paranoia? What role do you think that plays in, in Chinese relations with the Middle East?

William Figueroa 52:29

I haven't really follow that issue, to be honest, completely at all, so I'm not I don't think I'm really in the best position to answer that. But let me go through the first things. JCPOA. But also, secondly, most more important question, the final one, Palestine, China Palestine strategic alliance, I think that alliances perhaps not the description, the original word that had been used by the Chinese government, I think should be the partnership. That's a term that Chinese government use, because trying to never do alliances when they come to define the diplomatic terms and diplomatic relations in here. And I think this, again, fit into the whole narrative that China's engagement was, particularly Chinese government engagement was the Middle East. It's really to talk to every single party, both incumbent government, but also the opposition

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leaders and opposition parties, as well. So that, again, how China has been perceived as being a neutral player was in the region in the last two decades or so I think that's precisely because of that strategy. But engaging with every single party now on Palestine is perhaps more special in this case, that that is to say, even before the transplant as well, it came to power before 1949, the position out by the KMT, the Gamin, down back in 1945. That is already in seems to be really on the side was the past on at the same time.

So I think that sense of consistency, really, on China's view towards Palestine, and that hasn't changed. So that really led me into what I've said in the very beginning on that remark that shared past history of decolonization, that seems to be played a very strong role on China's policy towards the middle east on various different countries in here. And that rose into that part shared policies recently echoed by many regional governments, as well on the same time. So I think that's also part of reason how I declare the so called strategic partnership between China and Palestine in this regard. Now, I'll come back to the JCPOA. I think there's also another very strong element of the formal element, you know, the fear of missing out that by being a major power in the world and trying to consent the shaft should play some kind of role in any very important agreement, multiparty multilateral agreement, and hence JCPOA is also something not just not only for economics, is an economic reason which Bill pointed out is very important one, but also that sense that China wants to participate, every major international agreement that China will be able to shape its own preferences. I think those are that's the persistence, why China still view the JCPOA as something in favorable terms in this regard.

Jake Werner 55:19

Very quickly. Thank you, Trita, there's there's a question here about whether China will pressure Iran to get the Houthis to stop firing missiles at ships in the Red Sea, we've seen that this has the potential to seriously disrupt, not just regional trade, but global trade. Do you have any perspective on that?

Trita Parsi 55:37

I think is a great a very important question. Because this is a fast heating up situation and one of the two main pathways in which the conflict in Gaza may widen and engulf the entire region and lead to what even could drag in the United States into it. And the Chinese certainly have an interest in making sure that this does not expand and that this does not impact global trade in the manner that such a de facto blockade would end up doing. So if I was in the White House, I would certainly call the Chinese and urge them to use whatever influence they have on the Iranians to use whatever influence they have on the Houthis, which is largely exaggerated, but it's not non existent, to get the Houthis to back down. But if I was in China, I would also respond by saying that Beijing would be happy to do so. But in order for this to work, ultimately, it also requires that the United States puts pressure on Israel to agree to a ceasefire, because absent a ceasefire, it is very difficult to just see this type of pressure on everyone else in the region to de escalate to work when there is no pressure on Israel to de escalate. And that, unfortunately, has been the Biden administration's approach. The Houthis were not doing this prior to the war

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in Gaza. And their explicit demand here is that they will stop if the fighting in Gaza stops as well. It's a bit mysterious to me as to why the Biden administration believes that continuing war in Gaza is so important that it is willing to put pressure on everyone else to de-escalate but not on the Israelis.

Jake Werner 57:17

Thanks Trita, Bill, did you want to address the question of Xinjiang and sort of religious politics and the relationship to the Middle East?.

William Figueroa 57:30

Yeah, I can speak to it briefly in the Iran context. I don't know for certain about the Arab world, but I believe it is roughly similar, which is that no, realistically, it doesn't play a large role in the Iranian context, for a number of reasons, politically, there, they just seem to have accepted the bargain of you know, that, you know, we all have our red lines, and we you don't talk about certain things, you don't talk about Xinjiang, and you don't say anything about Taiwan. And it's really not in anyone's interest to do so. There have even been a few Iranian politicians who have tried to get this, you know, talk about this publicly, and it doesn't seem to really stir up a lot of, of sentiment, at least not that people are publicly displaying. It does, you know, if you look on like Iranian Twitter, or, you know, discussions, you know, and sort of on the internet, you do certainly find opposition to it and anger about it. But does that translate into the political realm? Not necessarily. And there are many people who support especially, you know, more conservative elements of the government, and also the population that support the government, or at least support some of the principles of behind the government that, you know, kind of slop this right into, you know, well, we have our religious extremists that we deal with, and those are you know, China's religious extremists, you know, it's ultimately you have to remember that Iran is a Shia state. So, you know, the plight of people who are being depicted as you know, Sunni extremists can easily slot into their pre-existing political narratives. Not to say that the Chinese narrative on that is accurate, but that it's really easy for them to deploy it without causing any kind of immediate and obvious discomfort with their own rhetoric and other areas. All right.

Jake Werner 59:17

I want to thank all my panelists, Trita had to jump off for a television interview. But thanks to Trita Parsi, thanks to Bill Figueroa. And thanks to Jie, this has been I think, a very helpful discussion of China's aims and motivations in the Middle East. The way that the United States is responding and the way the different ways that it could respond, as well as the the possibilities for these great powers jockeying around the region for the reason itself. And and let me say, I haven't been given a whole lot of hope by my panelists for the prospects here, but I think it is extremely interesting and worth watching. Whether China's China's motivation For basically a stable and economically useful region could potentially coincide with American interests in such a way that they could build on each other. If the if the hostility between the two countries can be can be set aside and moving towards a more cooperative relationship becomes possible

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in the next in the next couple of years. So, thanks to thanks to all the panelists, thanks to everyone in the audience. For for watching, this will be the barring some sort of emergency which probably we want to avoid given we're talking about international relations, but barring some sort of emergency, this will be the last webinar by the Quincy Institute of the year. Thanks, everyone who has who has been with us this year who has helped produce our research and analysis everyone who has read it who has supported us. Thanks to everyone and and we'll see you again in the new Year.