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CHINA, THE MIDDLE EAST, AND THE RESHAPING OF WORLD ORDER - THE CASE OF IRAN

Lars Erslev Andersen

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ABSTRACT

The focus of this paper is China-US rivalry in the Middle East, which is analyzed by investigating how China conducts its Iran policy in the context of US sanctions on Iran and threats of punishment for those who violate these sanctions. The paper use geostrategy theory and historical context analysis to study current Chinese and US Middle East policies in the Persian Gulf. The US geostrategy can be traced back to the British geographer Halford Mackinder's 'heartland theory', which nicely explains US policy after World War II up to the Carter Doctrine in 1980. Among the questions asked in this paper are whether the doctrine is now becoming obsolete and whether the US is about to change its geostrategy concerning the Persian Gulf. China's geostrategy can be extracted from the speech President Xi Jinping gave to the 19th China Communist Party Congress in 2017. In his speech, two concepts from classical Chinese philosophy, the Doctrine of the Mean (zhongyong) and All under Heaven (tianxia), were reinterpreted from the perspective of international relations in order to advocate a multipolar international order following the principle of 'harmony within diversity'. The paper identifies an ambiguity in this perspective on international relations: it offers a very promising vision for small and developing states but is more troublesome for a status-quo superpower like the US, which can see in it a threat to its leading global position. The paper concludes that the signals from the US concerning its geostrategy in the Persian Gulf are becoming increasingly mixed, indicating a developing shift away from the Carter doctrine. Another conclusion is that there are no signs that China is promoting a hegemonic version of its geostrategy in the Middle East. Globally these two developments point to a more multipolar order emerging in the Middle East.

GEOSTRATEGY AND THE CHINA-US RIVALRY

Probably the biggest worry today inside the US security and defense establishment is the threat to the US global position that China might pose tomorrow. Hence, the Pentagon and the US military are more focused on preparing for a future war with China than on becoming involved in spilling more 'blood in the sand' in the Middle East.¹ However, a glance at how China will balance its economic and strategic interests against its relationship with the US, at least in the short term, can be obtained by investigating how China conducts its Iran policy in the context of US sanctions on Iran and threats to punish those, whether states or private companies, who violate these sanctions. The focus here is China-US rivalry in the Middle East: I am aware that rivalry between these two great powers may be played out differently in other regions, for example, in the South China Sea. The closer to China's own territory, the more hard-core the security presence China projects. In Beijing, the Middle East is still seen as a greater neighborhood and thus China perform a softer projection of security here.²

When analyzing international affairs, including the rivalry between China and the US, especially in the Middle East, many authors draw on the theoretical inventory of schools in IR, such as realism, neorealism, the English School, constructivism or post-structuralism, and often a bricolage of them all. The problem is that all these theories use a concept of the state that was developed in European history from the Peace of Westphalia to the end of the nineteenth century. Even when constructivists criticize the concept of the post-Westphalian state, it continues to exist somewhere in their theories as a kind of grid that cannot be avoided, despite Alexander Wendt's dictum that 'Anarchy is what states make of it'.³ When post-structuralists incorporate discourse analysis into studies of international affairs, typically the discourse of the states is analyzed.⁴ Maintaining this idea of the 'post-Westphalian proto-state' as a fundamental theoretical concept is problematic for several reasons. First, the concept has a specific European history, and even though it pops up in the

¹ The research for this Working Paper has been conducted under the aegis of the Defense and Security Studies research pillar of the Danish Institute for International Studies as part of the 'Global Order: China Belt and Road project'. The Working Paper was presented at the Middle East Studies Association (MESA) annual conference in New Orleans, USA November 17, 2019. An earlier version was presented at the fifth China and Middle East Conference, Institute for Global Studies, Shanghai University May 17, 2019. I am grateful for the feedback and comments I received on these occasions. I would also like to thank Senior Researcher at the Danish Institute for International Studies (DIIS) Yang Jiang for constructive and useful comments to the draft of this paper.

² Andrew Scobell, 'China's Search for Security in the Middle East', in James Reardon-Andersen (ed.). *The Red Star & the Crescent: China and the Middle East* (London: Hurst & Company 2018): 21; On China and the South China Sea, see Yang Jiang, 'Can China buy peace? Money and Security in the South China Sea', DIIS Policy Brief, 10 October 2019, https://www.diis.dk/publikationer/can-china-buy-peace

³ Alexander Wendt, 'Anarchy is what States Make of It: the Social Construction of Power Politics', *International Organization* 46, no. 2 (Spring 1992): 391–425.

⁴ See e.g. Barry Buzan and Ole Wæver: *Regions and Powers: The Structure of International Security* (Cambridge: Cambridge University Press 2003).

Charter of the United Nations as a precondition for becoming a UN member, it has never been globalized. Neither China nor the US fits into a Max Weber-type definition of the modern, bureaucratic territorial state, while in the Middle East a state system of nation states has never been realized. Second, states today are under heavy pressure from above from supranational organizations, tech giants, and multinational companies, which often have capital flows that are way above the capacity of states, social media, migration or climate change, all of which seem to have a greater impact on the international order than states. From underneath too, states are under pressure from transnational networks and from ethnic, religious and other kinds of social movements, including nationalism. Adjusting the concept of the state by breaking it down into 'development states', 'fragile states', 'failed states', 'post-states' etc. does not solve the problem, it merely insists on using a concept taken from European history globally, thus running the risk of becoming blind to the diversities that shape history differently in time and space. I therefore suggest that we look for other theoretical tools when analyzing developments in the Middle East, especially when the analysis involves powers like China and the US. This does not, of course, mean abolishing the concept of the state, but rather developing frameworks and perspectives that are broader and more inclusive in their analytical approach than is the case with state-centered theory.

This paper use geostrategy theory and historical context analysis to study current developments in the Middle East, in particular in the Persian Gulf. US geostrategy in the Gulf can be traced back to 'the heartland theory' of Halford Mackinder of 1904.⁵ This theory construes the basic geopolitical conflict in the world as a competition for power between a heartland power in Eurasia and a sea power. This has strategic implications for the Persian Gulf, where sea power will prioritize keeping the heartland power out and will block its access to warm-water ports in order to limit its presence on the high seas. The strategic significance of the Gulf soon became even more important after the publication of Mackinder's theory due to the discovery of vast oil resources. The theory explains how the US has engaged in the Gulf from the Second World War up until the Carter doctrine and the Iraq war of 1991.⁶ However, the question today is whether the heartland theory and the Carter doctrine are becoming obsolete, given that the US in fact seems to be withdrawing from the region, and given the potential impact of China's increased

⁵ Halford J. Mackinder, 'The geographical pivot of history' in *The Geographical Journal*, Vol. 170, No. 4, December 2004, pp. 298–321; Zbigniew Brzezinski, *The Grand Chessboard: American Primacy And Its Geostrategic Imperatives* (New York: Basic Books 1997); Andrew J. Nathan and Andrew Scobell, *China's Search for Security* (New York: Columbia University Press 2012).

⁶ The 'Carter Doctrine' began with U.S. President Jimmy Carter's State of the Union speech in 1980, when he declared that the United States would employ military force against any country that attempted to gain control of the Persian Gulf region.

presence in the Gulf on any US strategic shift and the implications this may have for the global balance of power.

While Mackinder's geostrategy theory nicely explains US Middle East policy in the Gulf, this is not the case with China. China's presence in the Persian Gulf as a significant actor started after the end of the Cold War and has increased substantially in the last ten years. In order to develop a theory that explains China's geostrategy, I will explore Chinese understanding of the international order as expressed in President Xi Jinping's speech at the 19th Congress of the Chinese Communist Party in October 2017. In his speech, President Xi outlined a vision of a multipolar world where states seek harmony within diversity on an equal basis for the shared benefit of humanity. In his speech, he referred to classical Chinese philosophy, which he combined with an interpretation of the current international order. How this is to be understood more concretely will be discussed in more detail. After forty years of economic growth and a global position as a rising power, with the Belt and Road Initiative (BRI) as the driving framework of economic expansion in general and towards the West in particular, China has been forced to re-interpretate and reframe its position in the international order.⁷ China is no longer a country that can develop itself and do business under the radar, but an economic giant expected to assume increasing responsibility in world affairs. China's new role prompts Beijing and China's leadership to develop a geostrategy that will be better able to cope with the new times than the old principles from the time of Deng Xiaoping. That is what was expressed in the report from the 19th Party Congress.

US PRIORITIES IN THE MIDDLE EAST

'China uses bribes, opaque agreements, and the strategic use of debt to hold states in Africa captive to Beijing's wishes and demands'. These were the words of the then US National Security Adviser John Bolton when he addressed China's policy and development investments in Africa in a speech to the Heritage Foundation in December 2018. Bolton was quoted in *The Atlantic* as predicting that Africa would be the new front in the US-China war for influence. The US should push China aside

⁷ The Belt and Road Initiative is often called 'The New Silk Road', a reference to the old Silk Road, which was developed more than two thousand years ago, as described by Peter Frankopan in *Silk Roads: A New History of the World* (London: Bloomsbury 2015). However, in modern times, China was not active in the Persian Gulf before the end of the Cold War.

by offering African states targeted aid, loans, infrastructure investments, commercial ties and cooperation in counterterrorism.8

The question here is whether the US will also be inclined to open up a new battlefield with China in the Middle East by using the same tools as in Africa and maybe also tougher methods because the stakes for the US are higher in the Middle East, including maritime security for commercial shipping and tankers in the Persian Gulf, close economic ties with Saudi Arabia, containing terrorism, and close relations with Israel, together with associated security concerns. While priorities in US Middle East policy changed in the decades following the Second World War, three areas have consistently been at the top of the US agenda as crucial, including under the Trump administration: (1) the security of Israel, (2) the close alliance with Saudi Arabia, and (3) control of the straits in the Persian Gulf⁹ Indeed, they have determined not only US policy in the region but also regional balances of power: for instance, Israel's position in the region is based on military strength with US support in order to give Israel the ability to deter aggression from regional states, especially Iran, which Israel considers its number one existential threat. The security of the Persian Gulf is clearly expressed in the Carter doctrine of 1980, which still applies to US policy, and was made manifest in the so-called tanker war between the US and Iran during the latter's war with Iraq in 1980-1988, the Iraq war in 1990-91 (liberation of Kuwait), the Iraq war initiated in 2003 and the build-up of tensions in the spring of 2019 between the US and the Arab Gulf states (especially the United Arab Emirates and Saudi Arabia) on the one hand and Iran on the other.

These most recent tensions are related to the US withdrawal from the Joint Comprehensive Plan of Action (JCPOA) in 2018. 10 Concerning the third area, the stability of Saudi Arabia, this has always been a high priority in the White House (though often contested in the Congress). Among the reasons for the West treating Saudi Arabia's stability as a priority are the enormous Saudi Arabian investments in the US (and Western) economy, the country's willingness to spend vast sums of money buying US (and other Western) produced weapons, and the largest swing capability in oil sales and hence the greatest influence over the global oil market. – This is the case even at the present time, when Saudi Arabia is conducting war

⁸ Krishnadev Calamur, 'Africa Is the New Front in the U.S.-China Influence War: Trump's national-security adviser unveiled a new strategy designed to counter Beijing's growing influence on the continent', *The Atlantic* Dec. 13, 2018, https://www.theatlantic.com/international/archive/2018/12/trump-national-security-adviser-unveils-new-africa-strategy/578140/

⁹ See also F. Gregory Gause, III, *The International Relations of the Persian Gulf* (Cambridge: Cambridge University Press 2010): 16-44.

¹⁰ The JCPOA agreement was reached in Vienna in July 2015 between Iran, the five permanent members of the UN Security Council, Germany and the EU. For details of the plan, see: 'Section 3: Understanding the JCPOA', Arms Control Association, https://www.armscontrol.org/2015-08/section-3-understanding-jcpoa

crimes in Yemen and executing dissidents abroad. 11 Clearly, these three areas have a significant impact on regional balances of power: the US will not tolerate Israel becoming a weak military power in the region, nor the collapse of Saudi Arabia, nor that control of the straits in the Persian Gulf will fall out of the hands of the US and its Arab allies or even be weakened. Based on these three priorities, the US has projected a substantial military presence into the region, including a naval base in Bahrain, the Al Udaid Air Base in Qatar, and minor bases in the United Arab Emirates (UAE), Kuwait and Oman.

With respect to all three priorities, Iran is considered the main threat. It is these three reasons, together with US accusations that Iran is supporting global terrorism and aiming to develop weapons of mass destruction, that makes Iran the designated enemy of the US, and not because Iran is an authoritarian state. In fact, with its constitution combining liberal republicanism with religious rule, politically Iran is more open than the Arab Gulf states that the US prefers as allies. It is interesting to note that, while China is following its declared policy of non-interference in other states and is criticized for it 'in the free world', in practice the US is doing exactly the same while claiming to be the promoter of liberal democracy in building a liberal world order. Despite this political rhetoric of the US portraying itself as the leader of the so-called free world that is spreading liberal democracy and advocating the rule of law and human rights, the US has prioritized close cooperation with the Middle East's authoritarian regimes, such as Egypt and Saudi Arabia. 12 However, unlike China, the US has given Middle Eastern states with a fragile economy, such as Egypt and Jordan, vast sums through development aid and NGO projects to build up civil society in order to promote liberal reforms and human rights. However, such projects have always required the approval and control of the governments concerned: thus, in having its policy realized in the Middle East the US has always dealt with the region's governments and, in doing so, has always prioritized its security interests ahead of the promotion of liberal values and ideology.13

One exception from this policy was the first term of the George W. Bush administration that initiated the Iraq war in 2003 under the banner of bringing democracy to the Arab Middle East. Already in 2006, the Bush administration changed its strategy to a new form of Cold War in the Middle East that entailed pushing Iran out and pressing the Islamists down. In order to fulfil this project, the

¹¹ U.S.-Saudi Arabia Relations, Council of Foreign Relations, December 7, 2018, https://www.cfr.org/backgrounder/us-saudi-arabia-relations

¹² Jon B. Alterman, 'China, the United States, and the Middle East' in James Reardon-Andersen (ed.) op. cit. 37-58

¹³ A clear example of this is US policy towards Bahrain in the aftermath of the Arab Uprisings in 2011; see Lars Erslev Andersen: Bahrain and the global balance of power after the Arab Spring, DIIS Working Paper 2012:10, https://www.diis.dk/publikationer/bahrain-and-the-global-balance-of-power

US built an alliance with Israel, Egypt, Jordan, Saudi Arabia and the other Arab Gulf states. However, this alliance was shattered when President Barack Obama supported the demonstrators in Tahrir square in Cairo in January 2011: both Israel and Saudi Arabia warned the Obama administration that the fall of Egyptian President Hosni Mubarak would split the anti-Iran front, giving Iran better opportunities to strengthen itself in the Levant, while Saudi Arabia was not at all interested in democratic reforms and started looking east towards China as an alternative to the US. Saudi Arabia also opposed Bush's democratic crusade in Iraq in 2003.

The lesson here is that stability in the relationships between the US and her allies in the Middle East is based on US willingness to cooperate with the strategically important authoritarian states, not on promoting regime change and democracy. US criticisms of China for enforcing authoritarianism in the Middle East hit the US like a boomerang, as has happened since it entered the Middle East after the Second World War. Whenever the US has departed from this line, the result has been destabilization and the opening of a Pandora's Box of conflicts. Thus, any analysis of the US's Middle East policy must focus on geostrategic *Realpolitik* organized by the three priorities in the US interpretation of security politics in the Middle East, not on value-based policies promoting a liberal ideology. US geostrategy in the Middle East is about promoting stability and preserving the status quo: in that respect, China and the US are on the same page.

CHINA, IRAN AND REGIONAL BALANCES OF POWER

The question, of course, is how China's increased interest and activity in the Middle East will influence regional balances of power and the existing status quo – if one can talk at all of order in the Middle East today. In an attempt to answer this question, the position of Iran is the most obvious issue to analyze. China is Iran's biggest trading partner and main buyer of Iranian oil and it sees Iran as an important hub in its Belt and Road Initiative (BRI) and as a promising market for Chinese investment projects, as well as an important provider of energy. Iranians are generally well educated and thus constitute a good work force, and China can

¹⁴ Lars Erslev Andersen: After Lebanon: 'A New Cold War in the Middle East' in Lars Erslev Andersen, Innocence Lost: Islamism and the Battle over Values and World Order (Odense: University Press of Southern Denmark 2007): 169-178.

use Iran as an alternative partner to balance its policy towards the Arabs and the US.¹⁵

As already mentioned, the US views Iran as a state that sponsors terrorism through its support of Hamas and Hizbollah, as well as threatening the stability of the Levant and Israel by exploiting the civil war in Syria to establish its military presence there and open up a corridor connecting Lebanon with Iran through Syria and Iraq. At the same time, the US, or rather President Trump has accused Iran of aiming at developing a nuclear bomb by deceiving the control regime in the JCPOA, which Trump considers a bad deal that only benefits Iran. Following these arguments, which are strongly opposed by both the intelligence community in the US and by US allies in Europe, as well as by Russia and China, Trump withdrew the US from JCPOA in 2018.

As all the other partners in the deal opposed Trump's decision and declared they would stick to it, China was left with two options. It could ignore the US's confrontational Iran policy by continuing to invest in Iran and buying Iranian oil, despite the threat from the US that breaking its unilateral sanctions will be punished. In doing so, China would run the risks of provoking the US and of being punished, possibly by postponing the negotiations in the trade war between the US and China, or something worse. Alternatively, China could choose to follow its traditional policy of avoiding challenging the US and complying with the US sanctions, which would shift the regional balance of power to the benefit of the Arab Gulf states, at least concerning the economy, trade and investments, at only a tiny price for China: only one percent of China's trade is with Iran, and only about five percent of its energy imports come from Iran. In fact, Iran is dependent on China, not the other way round.16 However, China today is a stronger international actor, and the Chinese are signaling their clear self-confidence with this position. Furthermore, as already mentioned China can trade off its relationship with Iran against the Arab states. Finally, by giving Iran a lifeline, China could count on Iran as a partner in the future.

CHINA AND THE MIDDLE EAST

In the last decade, and especially in the aftermath of the so-called Arab Spring in 2011, coupled with China's more active and assertive foreign policy after Xi Jinping

¹⁵ Jon Alterman: 'Who Wins When US-Iran Tensions Rise? China', *Defense One*, May 15, 2019, https://www.defenseone.com/ideas/2019/05/who-wins-when-us-iran-tensions-rise-china/157050/

¹⁶ Jon Alterman: 'Who Wins When US-Iran Tensions Rise? China', *Defense One*, May 15, 2019, https://www.defenseone.com/ideas/2019/05/who-wins-when-us-iran-tensions-rise-china/157050/

became president in 2013, China has increasingly become involved in the MENA region, especially in the Persian Gulf. The Arab states in the GCC started looking East during the Arab uprisings partly because they were annoyed at the support given to the reformers in Egypt by the Obama administration, but also because they were aware of China's increasing need for energy and of it becoming a vast and fast growing market and investor, one that could support the economic diversification strategy of the GCC states. In order to maintain good growth rates, China needed a stable supply of energy, which the GCC states could provide.¹⁷ However, so could Iran: thus, when sanctions were lifted under the JCPOA in 2015, China became the largest buyer of Iranian oil. Iran and the Arab Gulf States, as well as Iraq, including Iraqi Kurdistan, are all also very important for President Xi's ambitious BRI and are attractive areas where China can invest its surplus funds in large infrastructure projects like the building of ports, establishing factories, investing in energy sectors, including nuclear energy, cooperation in defense and high-tech projects, including both space capabilities and IT communications like the 5G network. 18 Iran, Iraq and the Gulf are important sites in China's manifest destiny to go westwards. China has also engaged in other MENA countries, including Lebanon, Libya and Israel. Almost all states in the MENA region are looking to China as a promising market and a provider of investment and finance without the political conditionalities about democracy and human rights that Western countries and institutions try to insist on. Of course, China has been economically active in MENA, especially in the Persian Gulf, for more than three decades, but its engagement has increased substantially along with its economic growth and its more assertive position in the global economy and politics. Thus, China is a new and attractive partner for MENA countries.

THE STRATEGIC IMPORTANCE OF THE PERSIAN GULF

Since 1800, the Persian Gulf region has played a significant security role in international affairs. For the British Empire, the Arab Gulf States (the so-called Trucial States) played an important role as a station between Britain and India, eventually becoming British protectorates from 1820 up to 1971, when Britain withdrew from the Persian Gulf. In British naval strategy, since the beginning of the twentieth century the ports of the Gulf have played a crucial geopolitical role in

¹⁷ Yang Jiang and Lars Erslev Andersen, 'China in the Persian Gulf: a delicate balance in global security', University of Nottingham Asia Research Institute, 28. April 2018,

https://theasiadialogue.com/2018/05/01/china-in-the-persian-gulf-a-delicate-balance-in-global-security/

¹⁸ Jonathan Fulton, China's Changing Role in the Middle East, Rafik Hariri Center for the Middle East, Atlantic Council, June 2019, https://atlanticcouncil.org/wp-content/uploads/2019/06/Chinas_Changing_Role_in_the_Middle_East.pdf

containing the great Eurasian land power, whether it was Russia or the Union of Soviet Socialist Republics (USSR), by blocking access to the sea, thus preventing this land power from gaining control of the high seas and thereby becoming a global hegemon. ¹⁹ This important strategic position was further enforced after World War II and during the Cold War, as the Baghdad Pact (1955), the Carter Doctrine (1980) and U.S. support for the Mujahidin in Afghanistan after the Soviet occupation of 1979 to 1989 clearly show. As already mentioned, we can also point to international involvement in the Iran – Iraq war (1980 – 1988), the broad coalition of the willing in expelling Iraq from Kuwait (1990 – 1991), followed by heavy sanctions directed at Saddam Hussein's regime, and of course the Iraq war of 2003 – 2011. ²⁰

The strategic role of the Persian Gulf increased considerably as oil became a still more important resource, especially when, in 1912, the British navy decided to use oil instead of coal, southern Iraq being an important supplier. Around WW II Iran entered the world market, and from then on the whole region (where approximately two thirds of the world's known resources are located) turned into the most important strategic region globally where oil and gas were concerned.

During the Cold War, it was in the US interest to maintain a balance of power between the three regional great powers of Iran, Iraq and Saudi Arabia because the US did not want any one of them to secure ultimate control of oil resources or of traffic in the Gulf. Under President Nixon (1969 – 1974), this balance of power was managed through the 'two-pillar policy', where the US relied on Iran and Saudi Arabia to control security. Due to developments in the Gulf, this US policy changed: after the Iranian revolution in 1979 and the Kuwait war in 1991, Iran and Iraq became 'States of Concern' or 'Rogue States' in the eyes of the West and Israel because they were suspected of illegally developing weapons of mass destruction, supporting international terrorism, and competing to become regional hegemons.²¹ As a response, in 1993 the Clinton administration initiated a dual containment strategy aimed at isolating Iran and Iraq through sanctions, deterrence and pressure from the international community. The Clinton policy led to a tough US stance towards Iraq and Iran and a close partnership with Saudi Arabia. While Iraq was already on the agenda of the UN Security Council after the war of 1991, sanctions

¹⁹ Mackinder op.cit; in their book *The Middle East and North Africa: A Political Geography* (Oxford: Oxford University Press 1985), Alasdair Drysdale and G.H. Blake outline the geopolitical theory first developed by the British geographer Halford J. Mackinder that through the twentieth century the big land power in Eurasia was seen by Great Britain and USA as the pivotal power, while the coastline stretching from the Balkan Sea to the Persian Gulf was called 'the marginal crescent'. Drysdale 1985: 23 pp.

²⁰ With the US withdrawal of troops at the end of 2011, the war formally ended. Already from the last months of 2013, it was obvious that a civil war was threatening Iraq with fragmentation and that, with Islamic State (IS) taking over Mosul and the coalition of the willing's military operations in Iraq, a new Iraq war was brewing.

²¹ Robert S. Litwak: *Rogue States and U.S. Foreign Policy: Containment after the Cold War* (Baltimore: The Johns Hopkins University Press 2000).

against Iran were primarily a matter for the US until UN sanctions were imposed on the country in December 2006.

THE SHIA CRESCENT: CONFLICTS TO BE DRAWN INTO

In the Persian Gulf, there are many fault lines between peoples that are rooted in identity: Sunni and Shia; Kurdish, Arab and Persian, and different religious communities (Christian and others). Historically, indeed, the *politics of identity* has played a significant role in the security dynamics of the states of the region. Since the Summer War in Lebanon between Israel and Hizbollah in 2006, and with the increased influence of Shia Muslim Iran after the fall of the Taliban and the regime of Saddam Hussein, the fault line between Shia and Sunni has become a still more important issue, which in 2006 King Abdullah of Jordan framed as a threat from the Shia Crescent, that is, the Shia Muslim communities and parties in Iran, the eastern shores of the Arabian Peninsula and the southern part of Iraq, into Syria and Lebanon.²²

King Abdullah warned against this threat, which was pushing the conservative Arab states and Egypt into an alliance with Israel and the US in order to keep Iran out and the Islamists down.²³ Developments especially in Syria after the Arab Spring and in Iraq after the US withdrawal at the end of 2011 have further enforced the Sunni – Shia conflict. Although Syria's President Bashar al-Assad never based his power on religious dogma and ideology, he has received major support from Iran, Iraq and Hizbollah in his own war against the uprisings. Thus, after the Arab uprisings and Obama's support for the reformers, the anti-Iran front of the USA, Israel, Egypt, Jordan and the Arab Gulf states (Saudi Arabia and UAE) fragmented and paved the way for the JCOPA in 2015. However, during the Trump administration, the anti-Iranian front has again been fully restored, and the JCPOA has been threatened by the US withdrawal and its new sanctions regime.

The security dynamic of the Middle East was further shattered by the outbreak of a full-scale civil war in Iraq when in June 2014 the Islamic State of Iraq and the Levant (ISIL) captured Iraq's second city, Mosul, and deployed troops just outside Baghdad, while at the same time attacking Iraqi Kurdistan. A war on Islamic State

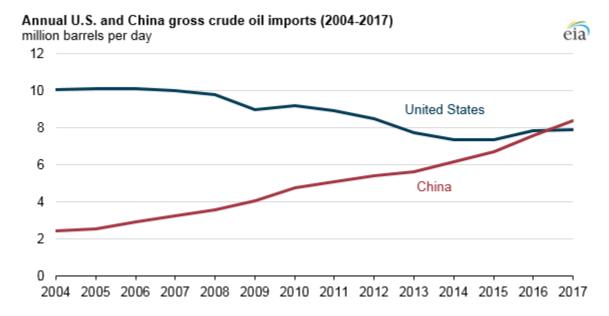
²² It was Jordan's King Abdullah who in 2006 introduced the idea of a Shia Crescent in an interview with *As Sharq Al Awsat*, translated in *Jordan Times*, January 25, and here quoted from Morten Valbjørn: 'Libanonkrigen i skyggen af den *Nye* Arabiske Kolde Krig', in Lars Erslev Andersen et al: *Nye Kolde Krige i Mellemøsten* (Odense: University Press of Southern Denmark 2007): 105p

²³ Lars Erslev Andersen: Innocence Lost. Islamism and the Battle over Values and World Order (Odense: University Press of Southern Denmark 2007): Postscript: 'After Lebanon. A New Cold War in the Middle East'.

(IS) was then started, which lasted until the dissolution of the IS Caliphate in the fall of 2018, though the situation in Syria and Iraq is still very volatile and fragmented.

THE GROWING ECONOMIC INVOLVEMENT OF CHINA IN THE PERSIAN GULF AFTER 9/11

China's most important interest in the Gulf is oil. The Gulf States are also rich in other natural resources like aluminium and phosphate. China is now the world's largest consumer of oil.



Source: U.S. Energy Information Administration, Petroleum Supply Monthly and Weekly Petroleum Status Report, China General Administration of Customs, based on Bloomberg, L.P. Note: December U.S. imports derived from weekly crude oil imports.

Chinese companies have been operating in the Middle East for over three decades, expanding mainly from construction and oilfield services in the 1980s and 1990s to upstream oil exploration as well as infrastructure and refineries today.

Most China's oil imports from the Middle East originate from the GCC and Iran. China imports about 55% of its oil from the Persian Gulf. Amid stagnant demand for energy and to reduce its dependence on foreign oil from the US and other Western countries, China is emerging as an important energy importer and investor in the Gulf. Although it is trying to diversify its energy supplies from the Middle East, it will remain dependent on the Gulf for years to come. China has also sought

supplies from Africa (particularly Angola, Congo, Sudan and South Sudan), Russia, Venezuela, Brazil, Kazakhstan, Australia and elsewhere. However, the Gulf remains the primary source of China's oil, a region that has more reserves than anywhere else does.²⁴

Economic relations between China and the Gulf are not restricted to oil. In the past decade, China's trade volumes with the Middle East increased almost tenfold. Due to oil investments, contract work and other economic relations with the Gulf, today there is a significant presence of Chinese in the region of between 600,000 and one million. In the 1990s China's pragmatic low-profile diplomacy in the Middle East was 'being detached generally and involved appropriately', avoiding conflicts with the US and expanding economic interests by free-riding on the US security umbrella there. ²⁵ Chinese analysts even described the long-standing US aircraft carrier presence there as a 'public good'. ²⁶ These days, therefore, Beijing is concerned about what Washington's pledge to downsize the US presence in the Middle East means for the region's energy and security.

After the civil war in Afghanistan in 1996 and the 9/11 terrorist attacks in 2001, China began to see the Middle East as a 'strategic extension' relevant to the security of Muslim regions in West China. Given its energy interests there, China defined the Middle East as its 'Greater Neighbouring Areas', attaching greater foreign-policy importance to it and rating the Gulf as more important than the Mediterranean part of the Middle East.²⁷ This approach has been further strengthened with the BRI and is publicly stated in China's Arab Policy Paper.²⁸

CHINESE WISDOM: DEVELOPMENT PEACE VS. DEMOCRATIC PEACE

President Xi sometimes uses the expression 'Chinese Wisdom', as do researchers in interviews and debates in China.²⁹ For example, in discussions of what I conceptualize as 'development peace', the philosophy is that vast investments in

²⁴ Lars Erslev Andersen and Yang Jiang, Is China Challenging the US in the Persian Gulf? Oil, Security and Politics, DIIS Report 2014:29, http://pure.diis.dk/ws/files/79420/DIIS_Report_29_WEB.pdf

²⁵ Bingbing Wu, 'Strategy and politics in the Gulf as seen from China', in *China and the Persian Gulf: Implications for the United States* edited by Bryce Wakefield and Susan L. Levenstein (Washington, D.C.: Woodrow Wilson International Center for Scholars, 2011): pp. 10-26.

²⁶ David Schenker, 'China's Middle East footprint', Los Angeles Times, 26 April 2013.

²⁷ Wu, 'Strategy and politics in the Gulf as seen from China'.

²⁸ China's Arab Policy Paper, January 13, 2016, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1331683.shtml

²⁹ Personal interviews with researchers in Beijing, Shanghai, and Chengdu during eight study trips to China in the last four years.

developing infrastructure projects are lifting people out of poverty, giving them better opportunities for jobs and incomes and hence improving their living conditions, which will reduce the attractions of violent extremism and the inclination to indulge in it, thereby increasing stability and peace. This so-called 'Root Cause model' draws on China's experience in successfully lifting more than 800 million of its own citizens out of poverty due to the reform policy that has rapidly changed the country in the past forty years, especially in the larger cities of eastern China.³⁰ Using this model in the implementation of BRI would then create peace and stability along the new silk roads according to Chinese thinking. However, to say the least, this Root Cause model has had mixed results in northwest China in Xinjiang, where the BRI starts China's westward expansion: here hard-core security is the rule of the day, and so-called reeducation camps have been set up where maybe a million people have been detained the last two years, and where the use of very comprehensive surveillance systems, coupled with severe restrictions on religious rituals and clothing, have targeted religious and ethnic minorities, especially the Uighurs. Alongside poverty reduction measures and modernization, this ethnic group entirely has been suppressed and marginalized.³¹ Further, as Western research on development projects indicates, the dictum that 'All good things go together' is not always true. 32 Referring to these points and asking Chinese colleagues why they think the Root Cause model will work for the Chinese along the BRI when it has failed for so many others, the answer is 'Chinese Wisdom'.

The Danish scholar Yang Jiang has written a very interesting book chapter about this expression, based on a study of President Xi's speech at the 19th Congress in

³⁰ Lars Erslev Andersen and Yang Jiang: *China's Engagement in Pakistan, Afghanistan and Xinjiang: Will China's Root Cause model provide regional stability and security?* DIIS Report 2018:06.

 $^{^{31}}$ I will not go into detail regarding the situation in Xinjiang here, but refer to the report I wrote together with my colleague Yang Jiang on the Root Cause model and the problems in Xinjiang and to other new studies on the Uighurs issue: Lars Erslev Andersen and Yang Jiang: China's Engagement in Pakistan, Afghanistan and Xinjiang: Will China's Root Cause model provide regional stability and security? DIIS Report 2018:06; Chien-peng Chung, 'Chinas Uyghur problem after the 2009 Urumqi riot: repression, recompense, readiness, resistance', Journal of Policing, Intelligence and Counter Terrorism, Vol. 13, No. 2, 2018: 185-201; Sean R. Roberts, 'The biopolitics of China's 'war on terror' and the exclusion of the Uyghurs', *Critical Asian Studies*, Vol. 50, No. 2, 2018: 232-258; Shan Wei and Chen Gang, 'The Urumqi Riots and China's Ethnic Policy in Xinjiang', East Asia Policy, Vol. 1, No. 3, July/September 2009; Yuchao Zhu and Dongyan Blachford, 'Economic Expansion, Marketization and Their Social Impact on China's Ethnic Minorities in Xinjiang and Tibet', Asian Survey, Vil. 52, No. 4, July 2012: 714-733; Special Issue: Securitization, insecurity and conflict in contemporary Xinjiang, Central Asian Survey Vol. 38, No.1, 2019. Somehow the New York Times got hold of four hundred leaked documents from the Chinese government documenting that up to 1 million people in Xinjiang have been through the reeducation camps, which also are called de-radicalization programs: Austin Ramzi and Chris Buckley: "Absolutely No Mercy": Leaked Files Expose How China Organized Mass Detentions of Muslims', New York Times, November 16, 2019, https://www.nytimes.com/interactive/2019/11/16/world/asia/china-xinjiangdocuments.html?te=1&nl=top-

stories&emc=edit_ts_20191116?campaign_id=61&instance_id=13911&segment_id=18860&user_id=679edb 0bd743f1df7139fe64f44b2d9d®i_id=5658274020191116

³² Michael Weintraub: 'Do All Good Things Go Together? Development Assistance and Insurgent Violence in Civil War', *The Journal of Politics*, Vol. 78, 4, Oct. 2016.

2017.³³ In her chapter, Yang Jiang explores the connotations and international implications of the concept of 'Chinese wisdom' in terms of what kinds of practical and philosophical wisdom it refers to in the areas of development and global governance, and what kinds of policies and actions it will guide China to carry out in international arenas. In other words, we can read this as an expression of the Chinese geostrategy that is connected to the BRI and China's policy in the Middle East.

At the 19th Congress in 2017, President Xi did not use the term 'World Order' at all in his four-and-a-half-hour-long speech. Instead, he promoted two concepts with reference to classical Chinese philosophy: 'first, a new type of international relations using the Confucian philosophy of the doctrine of the Mean (zhongyong), which advocates respect for each nation to choose its own path and seeking harmony within diversity; second, building a community of shared future for mankind, endorsing the Chinese concept of all under heaven (tianxia) as a unique world view, promoting equality among countries and shared construction for shared benefits'.34 According to Xi this is a vision of a democratic international system based on respect and recognition of the United Nations, giving voice to developing countries, and reforming Western-dominated global institutions like the IMF, WTO and World Bank. As Yang Jiang points out, this vision of 'all under heaven' from a large rising state may be received anxiously by lesser states.³⁵ The vision is clearly opposed to President Trump's 'America First' doctrine. On the one hand, China is promoting multipolarity based on the notion of 'harmony within diversity'; while on the other hand, those who fear China's possible hegemonic intentions may also fear the reference to the universal 'all under heaven'. It is this ambiguity that allows two opposite interpretations of China's view on and its role in a multipolar world order: a very promising vision for small and developing states, but problematic for a status-quo superpower like the US, which can see its leading global position threatened.

In public declarations by the Chinese leadership, the world order should be built on multipolarity and the development of states for mutual benefit. This should create development for all. Even if this development is guided with reference to the principle of 'harmony in diversity,' it is unclear what the universal idea of 'all under heaven' actually consists of, and maybe even more crucially, what it will mean if a

³³ Yang Jiang, 'Chinese Wisdom. New Norms for Development and Global Governance' in Kerry Brown (Ed): *China's 19th Party Congress* (Singapore: World Scientific 2018): 177-203

³⁴ Jiang, 'Chinese Wisdom', op.cit.

³⁵ Ibid. Jiang summarizes and explains the debates on the use of such classical concepts on current theories of international relations between the scholars Zhao Tingyang, Yan Xuetong, and Qin Yaqing.

state or a nation starts behaving in conflict with the Chinese understanding of 'all under heaven'.

Thus, China's geopolitical strategy seems to have two aspects, namely a development of the idea of China's manifest destiny, which is based on development for mutual benefit, respect for differences and multilateral recognition of all in order to seek economic growth for the best of humanity and a general rise in welfare standards that will ultimately lead to peace and stability. On the other hand, this multipolarity has a specific Chinese interpretation that contains the threat of Chinese hegemony. What direction China will choose in approaching its Middle East strategy is reflected in its current policy decisions.

In any case, China today will follow its Root Cause strategy and promote multipolarity, which it sees as the path to development peace. In contrast to the Western idea of 'democratic peace', which was originally formulated by the German philosopher Immanuel Kant³⁶ based on the idea that the Enlightenment would ultimately lead to world peace among liberal states through understanding of the universal laws of 'reason', the Chinese concept of 'development peace' expresses a concept of peace that is not based on ideology but is materialist: peace is not a result of ideas but of material development, which implicitly contains a political project that independent economic progress will lead to peaceful cooperation, agreements between states and international institutions. To promote peace is therefore not to promote ideology, whether communism or liberalism, but to promote economic growth based on mutual benefits. This is the geostrategic philosophy behind the BRI.

CHINA'S PERFORMANCE: THE CASE OF IRAN

China's increasing presence in the Middle East will unavoidably affect balances of power in the region. China's policy towards Iran is the most important area of its diplomacy in the region, with ramifications both for China's relations with the US and for the respective alliances supporting or opposing Iran in the region. Thus, China's relationship with Iran is a crucial indicator of Beijing's strategy towards the Gulf – it offers a litmus test of the extent to which Beijing is guided by political ideology as opposed to economic pragmatism and to what extent it is willing to involve itself in local politics. China picked Iran as its strategic pillar in the Gulf in the 1990s, when the Saudi-led GCC countries hesitated to get closer to China. While Beijing tried to downplay ideological differences and expand economic relations

³⁶ Immanuel Kant, Perpetual Peace: A Philosophical Essay (Charleston, SC: BiblioBazaar 2019).

with pro-US governments in the GCC, it relied on Tehran to balance US influence and to give it energy. Since then, and especially after the Arab Spring, China has become increasingly close to GCC states like Saudi Arabia, the UAE and Qatar.³⁷ Before the JCPOA, China complied with sanctions to the annoyance of Iran. After the JCPOA, China again became an important partner for Iran, although with the sanctions gone Iran was in a better negotiating situation in relation to China, and in the first months after the deal it diversified its trade with many other states.³⁸ However, when the US pulled out of the JCPOA China potentially became Iran's most important hope.

With the new sanctions policy of the Trump administration towards Iran, China is again on the horns of a dilemma as before the JCPOA: unilateral US sanctions could be invoked to punish Chinese firms with operations in the US for their work in Iran, and indeed this has already happened.³⁹ Before the JCPOA, the Chinese government informally instructed its state-owned companies to slow down after the US imposed unilateral sanctions on Iran in June 2010.

After the US imposed sanctions on Iran, China declared that it was not prepared to agree to US unilateral sanctions and would continue to deal with Iran. China started trading in oil in Chinese currency, and surely, Iran would be eager to exploit this opportunity. This would challenge the US dollar monopoly on the oil market and possibly put pressure on the dollar, as well as being a way to sidestep US sanctions, thereby challenging the US position as a hegemon. However, this was also a risky game at a time of the US-China trade conflict and increasing American aggression towards Iran, in close alliance with Saudi Arabia, the UAE and Israel. China's policy towards Iran could be an opportunity to challenge the US monopoly in controlling the oil market (together with her alliances), or it could produce an increase in US-China rivalry. Furthermore, China's continuing oil trade with Iran could drag it into conflict especially with the UAE and Saudi Arabia, which would pitch China into the Sunni – Shia conflict and the ongoing conflict between Qatar and the rest of the GCC.

When, together with the EU, UN and Iran, the Obama administration settled the JCPOA, it dramatically changed the balance of power in the Middle East. Lifting the

³⁷ Lars Erslev Andersen and Yang Jiang, *Is China Challenging the US in the Persian Gulf? Oil, Security and Politics*, DIIS Report 2014:29, http://pure.diis.dk/ws/files/79420/DIIS_Report_29_WEB.pdf

³⁸ Emma Scott, 'Defying Expectations: China's Iran Trade and Investments', *Middle East Institute*, April 6, 2016, https://www.mei.edu/publications/defying-expectations-chinas-iran-trade-and-investments

³⁹ 'U.S. Sanctions Chinese Firms for Allegedly Shipping Iranian Oil', *Wall Street Journal* September 25, 2019, https://www.wsj.com/articles/u-s-sanctions-chinese-firms-for-allegedly-shipping-iranian-oil-11569424569

^{40 &#}x27;Could Iran Sanctions advance yuan globalization?' High Frequency Economics, https://www.hifreqecon.com/could-iran-sanctions-advance-yuan-globalization; David Dollar and Samantha Gross: China's currency displacing the dollar in global oil trade? Don't count on it, Bookings April 19, 2019, https://www.brookings.edu/blog/order-from-chaos/2018/04/19/chinas-currency-displacing-the-dollar-in-global-oil-trade-dont-count-on-it/

sanctions on Iran provided the Islamic Republic with economic resources and, as the Arabs and Israel pointed out, clearly strengthened Iran in the Arab Middle East and its position in Syria all the way to the borders of Israel. Saudi Arabia and Israel therefore lobbied constantly in Washington for the US to withdraw from the nuclear deal, which the UN, EU still considered to be the best way of avoiding Iran getting the bomb. At the same time, European and Chinese companies were attracted to the great opportunities in Iran concerning both trade and investments. Thus, the JCPOA was and is important to China and the EU from both the economic and security perspectives.

When the Trump administration pulled the US out of the deal in 2018, China and the EU both strongly criticized the decision and declared that, they would stick to the deal, which, of course, would mean continuing economic activities in and with Iran. However, contrary to the EU's political declarations, European companies almost immediately ceased their involvement with Iran. This has created enormous frustration in Iran, which is seriously affected by the new sanctions.⁴¹ In order to put pressure on the EU especially, as well as more generally on all the other JCPOA partners, including China, Iran started breaking the treaty by producing enriched uranium and storing it.⁴² At the same time, the Iranians have been very active in approaching both the EU and China diplomatically to try to convince them to continue their economic dealings with Iran. As far as the EU is concerned this has so far not met with any success, as European companies have more or less ceased all dealings with Iran for fear of American punishment.

Shortly after the US imposed these new sanctions on Iran, China declared that it considered them unilateral and not binding on China. The oil trade continued, and when the French company Total ceased its investment in the South Pars field, Chinese state companies took over. When American sanctions also targeted the Iranian energy sector from November 2018, the US declared it would punish other partners with sanctions if they continued buying Iranian oil after a six-month waiver expired. In October, China first declared that its state companies would cease buying Iranian oil and a week later stated that they would withdraw their activities and stop investing in the South Pars field.⁴³

While opposing the new sanctions and making declarations of their intention to stick to the JCPOA, in practice and in their actual economic policies both the EU and China follow the US sanctions policy. Instead, China has said it will increase

^{41 &#}x27;Six charts that show how hard US sanctions have hit Iran', BBC May2, 2019, https://www.bbc.com/news/world-middle-east-48119109

⁴² David E. Sanger, 'Iran breaks with more limits in nuclear deal as it pushes for European aid', *New York Times*, September 7. 2019, https://www.nytimes.com/2019/09/07/us/politics/iran-nuclear-deal.html

⁴³ 'Iran says Chinese state oil firm has withdrawn from 5 billion US dollar deal', *AP News*, October 6, 2019, https://apnews.com/b11873fcb1ed49cf9ad2d0bfdc38798c

its trade with and investments in the Arab States in the Persian Gulf, like the EU, therefore, supporting the anti-Iranian front in the MENA region in practice.

ESCALATION IN THE STRAITS OF HORMUZ

This is not the end of the story, whether for Iran, China or the anti-Iranian front. As the escalation of tensions in the Persian Gulf in spring of 2019 clearly indicate, Iran and/or its proxies are not willing to accept the US sanctions policy without resistance. Even though Iran has stubbornly denied any involvement, several attacks on oil tankers in the Strait of Oman indicate that sanctions will be met by security threats to commercial shipping. Four tankers were attacked in May, in June again two tankers, and an Iranian and a British tanker have both been detained. In June, Iran shot down a US drone, America's planned military retaliation being called off ten minutes before it should have been initiated. The most serious attack came on September 14: missiles, some fired from drones, hit two oil installations in Saudi Arabia in an attack for which the Houthi insurgents in Yemen took responsibility and that paralyzed up to half of Saudi Arabian oil production for a while. Both the US and Saudi Arabia accused Iran of the attack, but no retaliation has so far taken place. Instead, both the US and Saudi Arabia have been quite moderate in their responses, and Saudi Arabia has even suggested talks with Iran. Thus, Trump's confrontational policy against Iran seems not to have had any success so far: indeed, in Syria the US is pulling out, leaving Iranian troops on the ground there. In the Gulf, Saudi aggression against Iran has turned into an awareness of the state's own vulnerability and an acknowledgement that it is almost impossible to defend Saudi or UAE oil installations from drone attacks.

China's position in this case has been pragmatic. It has tried to mediate between Qatar and the GCC, kept a low profile in its Iran policy, and has even declared its willingness to consider a US proposal that it provide support by escorting commercial ships in order to increase maritime security in The Persian Gulf.⁴⁴ Thus, it clearly seems that China will do what it can to avoid challenging the USA over the latter's Iran policy or becoming involved in the rivalry between Iran and Saudi Arabia or, more widely, the Sunni–Shia conflict.

In October, China declared it would reduce its oil imports and end its investments in the Iranian energy sector. Thus, China apparently prefers to comply with US sanctions rather than risk sticking to the JCPOA and helping Iran. China continues

^{44 &#}x27;China might escort ships in Gulf under U.S. proposal: envoy', Reuter, August 6, 2019, https://www.reuters.com/article/us-mideast-iran-tanker-china/china-might-escort-ships-in-gulf-under-u-s-proposal-envoy-idUSKCN1UW1DR

to do some business with Iran but appears cautious not to do so in a provocative way.⁴⁵

CONCLUSION

'We don't even need to be there in that the US has just become (by far) the largest producer of energy anywhere in the world!' declared President Donald Trump in June 2019 about maritime security in the Strait of Hormuz.⁴⁶ When a US drone was shot down by Iran, Trump called off a military response just ten minutes before it was due to start, while the reaction to the attacks on Saudi Arabian oil installations on September 14, which the US accused Iran of being behind, has been moderate, without any real threats of military operations. In October, three thousand US troops were deployed to Saudi Arabia, in part a replacement for troops already there being sent home on leave. These signals from the Trump administration have left the Arab Gulf states worried: is the US about to change its geostrategy in the Persian Gulf and leave the Arab Gulf states to defend themselves? That would really count as a disruption of US geostrategy. However, in the context of all the discourse on the US retreat from the Middle East, it is worth noting that the US is still the greatest power in the region, with a vast military presence in the Persian Gulf through bases in Kuwait and the UAE, together with a naval base in Bahrain, an air base in Qatar and troops in Saudi Arabia. The US might be on a path to changing its geostrategy and leaving the Gulf, but this has not happened yet. However, as China has been a free-rider on US security in the Gulf, the mixed signals from Washington give China some challenges concerning maritime security and balancing between Iran and the Gulf States. Due to frustrations and worries about the US and insecure thoughts about future US security guarantees, the Persian states all want to maintain good relations with China, which include a role in future security architecture.

As already outlined, China's geostrategy is one of promoting multipolarity, which in the Middle East seems to be going forward. In this context, we may expect China to patiently nurse its relationships with all the states in the Persian Gulf (including Iraq and Iran) without challenging US interests. Basically the US and China have the same geostrategic interest in the Gulf, namely stability, and while dramatic changes in global politics towards multipolarity and in the US Middle East policy

 $^{^{45}}$ https://www.bourseandbazaar.com/articles/2019/10/23/chinas-declared-imports-of-iranian-oil-hit-new-low-but-dont-believe-it

^{46 &#}x27;Trump questions the need for U.S. to protect international Shipping in Strait of Hormuz', Military Times, June 24, 2019, https://www.militarytimes.com/news/2019/06/24/trump-questions-need-for-us-to-protect-international-shipping-in-strait-of-hormuz/

may be on their way, China can quietly develop its economic relations, thus securing its energy supplies and laying the groundwork for the development of the BRI in the Middle East.

An ambiguity in China's geostrategy has also been pointed out in this paper. The concept of 'all under heaven' invoking development peace and harmony with diversity to the mutual benefit of all states in the international community is contradicted for some by a more worrying policy in Xinjiang and a stronger military presence in China's border areas both at sea and on land, which, it is felt, could lead to Chinese hegemony. However, there are currently no signs that it is the hegemonic version of its geostrategy that China is promoting in the Middle East.