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THE SHIFT OF POWER BETWEEN CHINA AND UNITED STATES
IN THE MENA REGION

How the People's Republic of China is substituting America inside Middle Eastern
and North African economies.

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INTRODUCTION

In the last two decades, the world is witnessing constant modifications of the global politics and the economic balances. The most evident and significant result of these transformations is the intensification of contacts between the People's Republic of China and the Middle Eastern and North African countries. The continuous increasing of Chinese investments and trade in the area, almost absent before the 90s, is the sign of a shift of the hegemony in the zone, traditionally controlled by the West, towards a Chinese predominance. In point of fact, the American supremacy is nowadays suffering for the profound infiltration of China's commerce inside the economy of the region.

Several elements can be mentioned as causing this shift of ascendancy. From the Chinese perspective, the constant growth of its energy demand is the main incentive of the current tendencies of its foreign policy. Indeed, after surpassing the US for oil consumption and having become a net importer of energy, China is now moving to enhance its relations with the major producers of energy resources. Moreover, current global economic trends are favorable to China, since the European crisis is still ongoing and the United States has some budgetary issues. These circumstances led elder partners of the Western countries to search for other associates, and especially for high-growth economies like the PRC.

American new strategy towards South East Asia is largely contributing to this outcome. This different approach, commonly called "Pivot to Asia", is producing as secondary outcome the slow withdrawal of America from the MENA region. The Obama Administration has in fact departed from a foreign program centered on Middle East to embrace an external policy oriented towards the Pacific area. Moreover, the discover of new oil fields inside the American soil caused the US to have a greater independence from petroleum importation.

As for MENA countries, they also are looking for China as an interlocutor. The trend is principally due to a less rigid "Beijing consensus" compared to the "Washington Consensus". Furthermore, China's foreign policy is committed to the principle of non-interference inside other states affairs, a premise greatly appreciated by the regimes established in the area. The Chinese strategy foresees also to avoid taking a clear position within the numerous conflicts presents in the area, a precept which allows it to maintain friendly relations with almost all the MENA nations.

Nowadays China's international relations go beyond the energy demand. Chinese investments and diplomatic ties are in expansion in the task of ameliorate the global image of the country and in order to create a favorable ground for the implementation of the New Silk Road initiative. The project, which aims at creating a thick web of commercial contacts and infrastructures between China and its Western neighbors, obtained a great support from the interested states, but it attracted also a lot of criticism and mistrust.

Another controversial tendency of the contemporary Chinese external action is the adoption of a "relocation strategy". This is the inclination to dislocate industries, and also workers, directly inside the territory of production of the raw material. The trend is convenient both for the PRC, which opens new markets, and for MENA countries, which produce increasing quantities of goods directly on their territories becoming less dependents on imports. However, it also provoked some skirmishes between Chinese migrants and the local population.

Nevertheless, oil and natural gas remain its main reasons for dealing with these countries. This is especially true since, according to the Dubai International Financial Center, the MENA region has 55.7% of the world's oil reserves and 44% of the world's natural gas reserves.¹ These data are not surprising considering that 8 of the 12 nations part of the Organization of Petroleum Exporting Countries (OPEC) are located inside the region, namely Algeria, Iran, Iraq, Kuwait, Libya, Qatar, Saudi Arabia and United Arab Emirates (UAE). Moreover, MENA represents 45% of world oil exports, with the sole Saudi Arabia accounting for 20% of the global gas exports. Following the provision of the World Economic Forum (WEF), the region is "expected to provide up to 80% in world's growth in energy demand by 2030".²

Some of these countries are now starting to see China as an example of how economic freedom, or better saying a liberalized market still controlled by the government, can save a regime. The necessary premise is that the majority of population must be depoliticized. This objective is achievable by providing the tools to improve standards of living. In fact, if people believe that it is possible to ameliorate their daily life, even if the situation is characterized by political oppression, they will not organize themselves into pressure or revolutionary groups in order to subvert the regime.

¹ Sirine Tajer, "Investment in Oil & Gas Industry in the MENA region", March 2011, in *Dubai International Financial Center*, from <http://www.difc.ae/> accessed on May 14, 2015.

² *Ibidem*.

However, the main problem of the MENA region is its instability. Because of this, regime changes and revolutions are constantly on those countries' agenda. If Western powers have a great responsibility for the actual situation, also the struggle among the same Arab states for achieving the role of leader shares a consistent part of it. This uncertain situation, beyond provoking casualties, damages also the economic activities inside the area. It is difficult to make predictions about the future. Therefore, the securing of the accesses to energy resources becomes an awkward issue, made even more urgent by the outbreak of the Arab Spring and the ascension of the Islamic State of Iraq and the Levant.

The interest in the MENA region comes from geopolitics, the study of the relations between the foreign policy of a country and its geographical position. Moreover, it studies an area taking also into account its demography and its natural resources in order to explain the dynamics and the developments of political balances. In fact, the MENA region is situated in a strategic location and possesses enormous resources, two factors that justify the international interest towards this part of the world.

Geopolitically speaking, who controls this area makes sure the management of huge stores of raw material and of the major routes of commerce. Therefore, every important transformation in the area can drastically modify international balances and produce important alterations of the global economic system. Hence the importance of studying the recent developments in these territories, namely the greater involvement of the People's Republic of China and the retreat of the United States.

It is undeniable that talking about the MENA region means to investigate an enormous area. In addition, even if most of those countries have several features in common, such as the Arab identity, the Islamic religion and a vast presence of raw materials stores, they also have numerous peculiarities that make difficult, and above all erroneous, a hasty grouping. This work refers to the acronym "MENA" (Middle East and North Africa) as to all the states of the Southern and South-Eastern shores of the Mediterranean Sea.

It must be said that it is an European concept. In particular, it indicate the strip of land expanding in length from Morocco to Iran, taking also into account the Arabian Peninsula. Therefore, the countries that fall inside this definition are: Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Syria, Yemen and United Arab Emirates (UAE). However, not all of them will be examined.

This is the case, above all, of Syria and Iraq, where a still evolving situation makes difficult speculations upon their future.

Middle East is a subdivision of the MENA region, which includes all the states in the Arab Peninsula plus Egypt. Traditionally, it is the most troubled part of the region. Therefore, sometimes the work will focus precisely on this area. Another way to assess the area was given by the former American President, George W. Bush, who referred to the “Greater Middle East”, a political term used in the G8 Summit in 2004, which widely enlarged Middle East boundaries to include all Muslim nations.³

The focus of the analysis will be on the “soft power” dimension of the issue, defined by Joseph Nye as “to obtain the outcomes one wants through attraction rather than using the carrots and sticks of payment or coercion.”⁴ In fact, contrary to the American approach, the Chinese presence in the area is almost completely economics, save for some “soft military” examples such as the deployment of the navy in the Persian Gulf in order to combat piracy.⁵ This reflects the Chinese attitude of boosting its economic and diplomatic connections with other states rather than investigate their political situation. This approach opposing the traditional American attitude.

The thesis supported by this paper is that the People’s Republic of China is more and more involved inside the Middle Eastern and North African area to the point of replacing the traditional hegemony of the United States. Moreover, it is the same United States to have withdrawn the region in order to focus on South East Asia. And not even the rise of the ISIL provoked it to change its foreign policy, being aware of the fact of no longer having the necessary power to be the world's only superpower.

Therefore, the work will start analyzing the perspective of MENA states, explaining why and how they too are giving a crescent importance to their relations with China. The first chapter will depart from a general examination of the China-MENA rapports up to the investigation of three specific case studies: Iran, Saudi Arabia and Algeria. Thus, in the second chapter, the United States foreign policy will be examined, with a special focus on the current Obama Administration’s attitude. Then, in the third chapter, People’s Republic of China will be the center of the study. It will be examined its strategy inside the region and the most important

³ Safa Haeri, “*Concocting a 'Greater Middle East' brew*”, March 4, 2004, from http://www.atimes.com/atimes/Middle_East/FC04Ak06.html, accessed on May 14, 2015.

⁴ See also Joseph S. Nye, “*Soft Power: the Means to Success in World Politics*”, April 2005, *PublicAffairs*.

⁵ Degang Sun, “*China’s Soft Military Presence in the Middle East*”, March 11, 2015, from <http://www.mei.edu/content/map/china%E2%80%99s-soft-military-presence-middle-east>, accessed in May 14, 2015.

project it is now implementing: the One Belt One Road initiative. Finally, in the last chapter, the thesis will linger to the challenges that China has to face in dealing with the actors operating in the region. The main subjects will be the worsening of China-US relations and the implications arising from the outburst of the Arab Spring and the appearance of the ISIL.

The purpose of the work is to analyze the current situation of the relations between China and the states forming the MENA region in order to explain why there was a shift of power from the United States to the PRC in the last decade. The research treats an important and actual issue, helping the comprehension of the nature of the new international relations inside a strategic area. The aim is also to stimulate further studies upon the question in order to create an integrated and more complete analysis able to provide more confident future prediction.

CHAPTER 1: THE GEOSTRATEGIC IMPORTANCE OF THE MENA REGION

The Middle East and North Africa region has always had a geostrategic importance and a geopolitical centrality within international relations. Being the “holy land” of the major religions and being rich of natural resources, the attention of the world has been focused on this stripe of land since the most ancient civilizations stabilized in the “Fertile Crescent”. However, it could be said that the area is one of the most emblematic example of the so-called “resource curse”, an anathema that strikes the most resource-abundant countries condemns them to a poor existence⁶. In fact, it has been afflicted by several conflicts between states, a number of internal uprisings and continuous attacks from external nations. The outcomes of the Arab Spring and the settlement of the Islamic State are just the latest developments of a region cyclically hit by violence from foreign economic interests. This permanent state of conflict, beyond provoking several casualties and troubling regional balances, frighten also foreign investments and discourage the construction of solid international relations.

The present scenario is provoking the retreatment of the United States from MENA, counterweighed by an increasing in the People’s Republic of China involvement in the area. In fact, China is currently trying to foster both its economic and diplomatic ties with these countries. In effect, their reserves of raw material and their strategic location make them appealing partners. That despite the fact that the actual geopolitical center of the global politics is shifting towards the Pacific Ocean, where China and America are now almost directly confronting.

On the other hand, the same Middle Eastern and North African nations are seeking China as an interlocutor. Their interests are attracted by the huge amount of cheap goods, services and capitals that the PRC is exporting, but also by its model of development. Several nations admire China also for its impressive economic growth released from a previous reform of its political system. Especially for this reason, the Communist China is becoming a new point of reference for those countries that want to legitimate their authoritarian regimes. They are spur on by the evidence that a population can accept the compromise of giving up some political rights in exchange of the concession of some economic freedoms that can assure the

⁶ Cf. Jeffrey Sachs, Andrew M. Warner, “*Economic Convergence and Economic Policies*”, 1995, CASE Network Studies and Analyses 0035, CASE-Center for Social and Economic Research.

upgrading of its standard of life. A “contract” that the Chinese people seems to have gladly signed.

However, the shortcoming of this kind of relation is that, creating a concrete alternative to the Western model, the “Beijing consensus” and its Chinese practical example can lead to the failure of several democratizing processes around the world. Despite the fact that it remains uncertain if more economic liberties can actually bring a greater stability to authoritarian regimes and if this achievement is a long-lasting one. Regarding the specific situation of the MENA region, it is evident the failure of the Western project of exporting democracy and the contemporary exponential growth of Chinese partnerships.

However, as already specified, when this work refers to the MENA region it refers to an European framework. This is to say that the area considered consists of the countries of the Northern part of Africa, i.e. Morocco, Algeria, Tunisia, Libya, Egypt, and the Eastern shore of the Mediterranean Sea, i.e. Israel, Palestine, Lebanon, Jordan, Syria, Iraq, Saudi Arabia, Kuwait, Bahrain, Qatar, Yemen, UAE, Oman and Iran.

1.1 The geostrategic importance of a complex region.

The modern Middle East and North Africa region was created after the World War I and as a consequence of the fall of the Ottoman Empire. Its current geography was shaped by France and the United Kingdom, with the assent of Russia, on May 16th 1916, when the states signed the “Sykes-Picot” secret Agreement, which defined the spheres of influence and control in the area⁷. This accord was a turning point because it drew the modern geography of the region. This explain why the ISIL broadcasted in internet a video entitled “*The End of Sykes-Picot*” on the same day of its proclamation of the Caliphate’s restoration. Specifically, in the video a Chilean ISIL’s fighter deemed to have broken the borders created by this Agreement and that “This is not the first border we will break, we will break other borders”⁸.

However, the region has always had a great importance for the entire world. Birthplace of three of the most influent religions (Judaism, Christianity and Islam), it was also the

⁷ Giovanni Sabbatucci, Vittorio Vidotto, “*Storia contemporanea: il Novecento*”, 2008, Roma-Bari, Laterza.

⁸ Mark Tran, Matthew Weaver, “*Isis announces Islamic caliphate in area straddling Iraq and Syria*”, in *The guardian*, June 30, 2014, <http://www.theguardian.com/world/2014/jun/30/isis-announces-islamic-caliphate-iraq-syria>, accessed on October 5, 2015.

homeland of some of the most ancient and developed civilizations, such as the Egyptian, the Sumer and the Persian. Moreover, it was central in the routes of global commerce, especially as a crossing land between the Asian and the European commerce.

With these regards, the region was of a strategic importance for China since 200 BC, when the first settlements of the ancient Silk Road were established. Along this route, Chinese merchants exported their most refined goods, which at those times were spices and silk. Beside its objective of being a trade itinerary, these corridors worked also as a way in which people and ideas were connected. That was the case, for example, of Buddhism, that entered into China through this path. In the end, the route fallen in disuse after the collapse of the Mongol Empire and the Constantinople's capture conducted by the Ottoman Empire in 1453⁹. In effect, since then, the tracks were blocked.

During the next centuries, almost all the MENA region passed under the control of the Ottoman Empire, that reigned without any opposition until the arrival of the colonizer powers. It was only after the end of the World War I, when the Empire dissolved and colonialism started to decline, that the actual MENA states began to shape.

Nevertheless, neither regime changes nor religious conflicts inside the area stopped. Besides, after the discovery of crude oil deposits, the region acquired a new significance. Instead, it attracted more interests from external powers. In addition, the Cold War did not spare the area. It was one of the most complex chessboards for the US-USSR's confrontation.

After the USSR's collapse, the United States gained a privileged role inside the area. Clear examples of its major position occurred with the Iraqi invasion of Kuwait in 1990, where their intervention permitted the liberation of Kuwait, and the launching by President George W. Bush of the wars in Iraq and Afghanistan. In particular, the American President decided to make the region the crux of his foreign policy. However, with the following Administration, the focus change in order to implement the President Obama's "Pivot to Asia" and pave the way to a more systemic presence of the People's Republic of China.

However, as for the present days, the area still remains the stage of military and ideological struggles. The internal uprisings started with the Arab Spring in 2011 took several consequences and lead in most of the countries interested an unstable situation. Not to mention the constant mounting of anti-Western feelings among the populations that more and

⁹ Oliver Wild, "*The Silk Road*", 1992, <http://www.ess.uci.edu/~oliver/silk.html>, accessed on May 15, 2015.

more often conduct to episodes of violence operated by Islamic extremists. As a consequence, the area results to be the most militarized region of the world. Especially in Middle Eastern, it is presently a huge market for the traffic of a large amount of arms¹⁰.

Despite such a complex and uncertain situation, Chinese investments did not interrupt. On the contrary, the government launched new programs directed to associate its economy with this part of the world. As an example, the New Silk Road project developed by China aims to narrow its ties with all the countries touched by its routes, and some states of the MENA region will be engaged in it. According to the plans proposed, this strategy will imply the construction of infrastructures, especially railways and ports, inside the designed territories. The intent is to ameliorate the quality of the exchanges and to build a thicker network for trading. Since the main beneficiaries of the Chinese investments will be some underdeveloped nations, it is widely welcomed and more and more states are applying for that. Furthermore, likewise the ancient Silk Road, the new program aims to booster not only economic and diplomatic relations between the involved countries, but also to enforce their cultural relations¹¹.

Yet, economics reasons remain the major driving forces of these relations. As a matter of fact, the MENA region, which is rich of raw material, is very charming for emerging powers, which need a large amount of energy to further develop their economy. In fact, also India is now attempting to approach the area, even if it is not even close to the Chinese achievements. Therefore, it is more probable that the PRC will be substituting the United States in its privileged relations with these states than India as the main external power.

On the other hand, apart from the chaotic situation in Syria and Iraq, the recent changes of regimes, products of the Arab Spring, bear as a consequence also new opportunities of engagement. This is true not only for China, but also for Russia, some European countries and even for the US. In these respects, the case of Libya can offer an illuminating example. There, the civil war permitted to France and the United States, which played a big part in the overthrow of the Muammar Gaddafi's dictatorship, to enjoy the secondary result of having

¹⁰ Anup Shah, "Middle East", December 6, 2011, <http://www.globalissues.org/issue/103/middle-east>, accessed on May 16, 2015.

¹¹ Shannon Tiezzi, "China's 'New Silk Road' Vision Revealed", May 9, 2014, in *The Diplomat*, <http://thediplomat.com/2014/05/chinas-new-silk-road-vision-revealed/>, accessed on May 16, 2015.

also excluded Italy and Russia, the two major traditional importers of Libyan oil, from the market¹².

In particular, a central role inside the geopolitics of the area is played by the competition for the control of oil reserves. In fact, the stability of oil flows is exactly the main cause of involvement inside the region for external countries. The attempt of securing these fluxes, together with the presence of authoritarian regimes, led to the heavy militarization of the zone. Since some of these governments are suspected to be backed by the US, some part of the population started to cultivate feelings of anger against the Western countries, seen as one of the main cause of their oppression¹³.

On the other hand, China has the comparative advantage of having nothing to do with the colonial period and of sustaining a policy of non-interference in other states affairs. Moreover, it is also an example of a growth developed in a short period and which also the lowest layers of the population has benefited of. Therefore, also from the point of view of the MENA countries there are more incentives for dealing with this emerging power. Obviously, it will occur at the expenses of the relations with their traditional Western partners.

1.2 The Chinese involvement in the area.

North African and Middle Eastern states are becoming a strategic market for Chinese enterprises, especially for those that handle the sectors of construction and engineering. This phenomenon is even more visible in the countries that are abundant of natural resources. In addition, these countries share almost the same characteristics regarding their economies, and even their consumer sectors do not differ substantially.¹⁴

This sure advantages led to the development of two tendencies which fostered the linkage between the PRC and the MENA countries: the “Going Global” strategy, adopted by the

¹² Stefano Casertano, “*Of Power and Principle*”, February 8, 2012, <http://www.theeuropean-magazine.com/stefano-casertano--3/6179-geopolitics-in-the-middle-east>, accessed on May 16, 2015.

¹³ Anup Shah, “*Control of Resources; Supporting Dictators, Rise of Terrorism*”, December 30, 2002, <http://www.globalissues.org/article/260/control-of-resources-supporting-dictators-rise-of-terrorism>, accessed on May 16, 2015.

¹⁴ Eugenia Pecoraro, “*China’s Strategy in North Africa: New economic challenges for the Mediterranean region*”, November, 2010, in *Institut Universitari d’Estudis Europeus (IUEE)*, EUGOV, Working paper No. 26/2010, <http://www.recercat.cat/bitstream/handle/2072/203951/Working%20paper%20No.%2026-2010.pdf?sequence=1>, accessed on May 16, 2015.

Chinese government, and the Middle Eastern and North African states' attempt to look East in order to find alternative partners¹⁵. The first one, also known as “Go Out” policy (走出去战略 *Zōuchūqū Zhànlüè*), is a course of action adopted in 1999 by the China's government. Its general ambition is to booster Chinese investments domestically and worldwide. The need of allocate its Foreign Direct Investments (FDI), jointly with its impelling necessity of energy, push China towards the states of the area. As an evidence, African and Arab banks saw an escalation in the amount of Chinese investments starting from the nineties. Likewise, also Chinese projects of public works in the area multiplied. Finally, the industrial overproduction and market saturation in many sectors that the PRC is now facing compels it to seek external new markets. This way, China is now managing to replace the traditional hegemony of North American and European firms, being also a great contributor of the development of the area.¹⁶

With reference to the MENA's countries, their main objective is to differentiate their investments. Thus, emerging nations, and their high growth rates, are the main targets of this tendency. The origin of this necessity is related to the period of stagnation that their traditional partners, the European countries, are now experimenting. Moreover, their leaders are concerning about the consequences of what it is called “cultural imperialism”, namely the increasing influence that the Western countries demonstrated to have within the states with which they transact business¹⁷. Culture is always traded while goods are exchanged.

Nevertheless, also anti-Western feelings are growing along with the steady assimilation of their culture. The occurrence of several episodes of violence against the identified symbols of the West demonstrates the concreteness of the danger. Finally, the failure of the “Washington Consensus” convinced several developing nations to detach from their traditional connection and to seek China as an interlocutor.

The different basis of the “Beijing Consensus”, which has in the theory of non-interference its pillar, caused the Chinese approach to the economies to be more appealing than the Western line. At the core of this strategy there are direct investments and financial actions, which are taken in order to give a new impulse to the targeted economies instead of controlling them. Ultimately, China represents the promise of a faster and more secure economic development in comparison of what Western standards offer.

¹⁵ Ted C. Liu, “*China's economic engagement in the Middle East and North Africa*”, January 20, 2014, <http://fride.org/publication/1173/china%E2%80%99s-economic-engagement-in-the-middle-east-and-north-africa>, accessed on May 16, 2015.

¹⁶ *Supra n. 14.*

¹⁷ *Supra n. 13.*

Moreover, the importation of Chinese consumption goods highly ameliorate the internal condition of these economies. The most visible result was the increase of the consumers' purchasing power, as more and more people find themselves able to obtain products that until that time they could not afford to buy. Another less evident consequence was the improvement of the working conditions resulting from the modernization of the chain of production, occurred, for instance, with the acquiring of cheaper technological products.¹⁸

Chinese actions are clearly guided by its need of achieving the security of the access to energy sources. Therefore, oilfields are not its sole motivator. The PRC is also straining to assure its admittance to every type of raw material. This is especially true, for example, for its relation with Morocco, which is the third producer in the world of phosphates and own the three-quarter of the overall reserves.¹⁹

Continuing on the ground of imports, its strategy within the area includes also the Chinese involvement in other sectors of the economy, such as cement, chemistry, aluminum, automobile and telecommunications.²⁰ Moving instead on Chinese exports, the MENA countries are more and more attracted by its technology and cheap merchandises. Therefore, the PRC finds a fertile field for investing its large amount of capitals inside these economies, gaining in exchange a larger source of raw material.

Another policy that China is applying in the region is the "Relocation strategy". This model refers to the tendency followed by the PRC of installing Chinese industries and transferring Chinese workers directly in the territories where its investments are directed to. In theory, it is a convenient scheme for both parties. In fact, if the opening of new markets allows China to allocate its huge surplus, the beneficiary countries can achieve a higher level of independence from imports by producing increasing quantities of goods in their territories²¹.

Nonetheless, this strategy has also some shortcomings, the worst of them are the missing opportunities of creating new jobs for the local population and of spreading technologies inside these developing nations. In fact, importing also Chinese workers together with the industries, and using them also for the infrastructure projects, is not alleviating the great unemployment problem presents in the region. Basically, this policy advantages China and

¹⁸ *Supra n. 14.*

¹⁹ Harold R. Newman, "The Mineral Industries of Morocco and Western Sahara", September, 2011, pag. 2, in "2009 Minerals Yearbook; Morocco and Western Sahara", <http://minerals.usgs.gov/minerals/pubs/country/2009/myb3-2009-mo-wi.pdf>, accessed on May 16, 2015.

²⁰ Valeria Talbot, "La Cina nel Mediterraneo", April 3, 2008, in "Istituto per gli Studi di Politica Internazionale", http://www.ispionline.it/it/documents/Med_Brief_3_2008.pdf, accessed on May 16, 2015.

²¹ *Supra n. 14.*

the local elites, but not people. This is the main reason why some social groups within this states are starting to consider the Chinese commitment as a threat. In addition, also local firms are in a disadvantaged position in competing with the far cheaper Chinese goods, having not these nations competitive manufacturing industries or services²².

Another issue that arose between these countries regards their trade balances. In fact, if Saudi Arabia enjoys a trade surplus in its commerce with the PRC, the same cannot be said for the other countries. The majority of them experience a trade deficit with China, since they import large amount of commodities. This reality aggravates the difficulties of the local manufacturing sector in competing with Chinese exports. According to the data, during 2012, North African countries imported a volume of 3.13 billion dollars in Chinese goods and services.²³ Conversely, their exports towards China in the same period amounted only of 558 million dollars.

The combination of the Chinese relocation strategy and its low-priced exports contributed to make close down the business to several firms. These points of friction pushed local populations to develop negative stances against China, leading to a proper clash of civilization. As a proof of that, acts of violence against the Chinese community in Algeria were recorded by the US National Defense University (NDU)²⁴, while in Morocco Chinese textile enterprises were found to be the main reason of shutting for many local business.²⁵

At any rate, also the PRC experimented some difficulties due to its way of doing business. A clear sign is its growth rate, now dropped to a mere 7.5%²⁶. However, despite this deceleration, it still remains a buyer in the global market, continuing also its strategy of massive exportation of merchandises and capitals in order to boost its economy.

A positive consequence of this foreign policy strategy is also the improvement of the standards of living of several people in Africa. This came as an unintended product of the investments in the infrastructure sector and also of the availability of cheaper commodities in the market. These kind of improvements ameliorates the condition of the common people, but also give an important fuel for these economies.

²² *Supra n. 15.*

²³ *Ibidem.*

²⁴ *Ibidem.*

²⁵ *Supra n. 14.*

²⁶ Mark Magnier, “China GDP Grows 7.5% in Second Quarter”, July 16, 2014, in *The Wall Street Journal*, <http://www.wsj.com/articles/china-gdp-rises-slightly-in-second-quarter-1405476158>, accessed on May 16, 2015.

In order to freely move inside the global market, the PRC has adopted a dual strategy. According to this twofold approach, it espouses the imperative of avoiding taking a position in existing issues among states while excluding the possibility of interfering inside the internal affairs of other states. This tactic works especially for the MENA region. As a matter of fact, the PRC, despite officially expressing as a pro-Palestinian nation, has not taken a side in the Israeli-Palestinian conflict.²⁷ Moreover, it strongly affirms the wrongness of intervening politically or militarily on the territory of another state, aiming at moving expressly on the economic field.

As a consequence, China has the advantage of being able to deal equally with a large amount of regimes, even with those fighting each other. A further outcome of this tendency is the rapid expansion of the Chinese presence to other sector than oil and raw material, such as consumer goods and services. Finally, recent disorders in the area gave a further possibility to enlarge the Chinese involvement, above all at the expenses of the long-established partners of these states.

At any rate, a general analysis cannot be the most descriptive of the trend. Therefore, considering particular and practical examples may result more illuminating. Treating of concrete cases of the Chinese involvement within the economies of three chosen states can better illustrate its strategy. For this purpose, the selected nations are Iran, Saudi Arabia and Algeria. Iran and Saudi Arabia are the representatives of the Middle Eastern area and they are clear example of the substitution of the American power with the Chinese economic partnership. The former after the revolution, the latter more and more tied to China by oil's exports. As for the North African zone, Algeria has a peculiar history of friendship with the PRC that cause it to be an interesting case to study. Obviously, they represent specific situations and it would be impossible to reduce the Chinese role in the MENA region on the basis of only three states of the area. However, it could provide a good approximation for understanding the current general state of affairs.

²⁷ Muhamad S. Olimat, *China and the Middle East: From silk road to Arab Spring*, 2013, by Routledge, Oxon.

1.3 The case of the Islamic Republic of Iran.

The Islamic Republic of Iran is the second largest economy in the MENA region, after Saudi Arabia, and it is the second country for the population size, after Egypt²⁸. A multicultural nation founded on a mixture of parliamentary democracy and theocracy, according to the US Energy Information Administration (EIA), “Iran holds the world's fourth-largest proved crude oil reserves and the world's second-largest natural gas reserves”.²⁹ However, it is currently under international sanctions, which “ have profoundly affected Iran's energy sector”.³⁰

As for what concern Sino-Iranian relations, their first contacts have been established in ancient times, since the development of the Silk Road routes. In recent times, their connections started from the 1950s and rapidly increased after the 1979 Iran’s revolution and its international isolation. Moreover, after the imposition of the economic sanctions, they intensified exponentially. According to the World Bank, nowadays “China is Iran's largest trading partner and its biggest oil importer”.³¹

The embargo imposed on Iran by the international community was mainly justified by the concern around the Iranian development of a nuclear plan. The consequential isolation of the country was the principal cause of the rapid strengthening of their partnership. In reality, the Western countries have taken actions to “quarantine” Iran since the outbreak of the revolution. However, it was the election at the Iranian Presidency of Mahmoud Ahmadinejad in 2005 and his statements against Israel to trigger the renewal of these measures. The announcement of the nuclear plan did the rest.

Nevertheless, the complete isolation of Iran was never achieved, since the country can count on the support of powerful allied. In fact, in the framework of the UN Security Council, both Russia and China expressed in favor of an Iranian peaceful nuclear plan, also adopting a strategy of furthering their bilateral relations with the Islamic Republic. The PRC was the most advantaged one by its international isolation.

The two countries established official diplomatic relations in 1971. They originated from arm sales and then expanded to other commercial fields. They received a great impulse during the

²⁸ World Bank, “*Iran Overview*”, March 1, 2015, <http://www.worldbank.org/en/country/iran/overview>, accessed on May 17, 2015.

²⁹ US Energy Information Administration, “*Country Analysis Brief: Iran*”, July 21, 2014, in “*Independent Statistic & Analysis*”.

³⁰ Ibidem.

³¹ Ibidem.

80s up to the foundation of the Joint Committee on Cooperation of Economy, Trade, Science and Technology in 1985 with the intent of collaborating on “energy, machinery, transportation, building material, mining, chemicals and nonferrous metal”.³²

Their relationship continues also the following years, being China one of the first, and also one of the major, supporter of the Iranian reconstruction process in the aftermaths of the war against Iraq. As evidenced by the data, in 2013 Iran accounted for 8% of the Chinese crude oil imports³³. However, during the last years, there was a fall on the oil imports from Iran, a tendency which is guided by the Chinese decision to diminish its dependency on the Iranian oil. Nonetheless, at present, Iran represents China’s third-greatest oil source.³⁴

Apart from oil, also investments motivates the PRC in dealing with the Islamic Republic. One of the most important arrangement on this field was contracted on December 9, 2007, when the Business Development Petroleum Engineering China Petrochemical Corporation (the Sinopec Group), a company controlled for 75% by the government, managed to sign an agreement with the Iranian Ministry of Oil to develop the Yadavaran oil field. This oil deposit, located in the South-West area, is known as the less exploited field in the world with an estimating 30,000 million barrels reserve of crude oil.³⁵

To foster Iranian oil production, China provided technical skills, infrastructures (i.e. oil rigs, refineries and pipelines) and technologies. The increase of their bilateral trade in the last decade was impressive, involving also the petrochemical sector and the industries (above all motors, cement and mineral).³⁶ Data confirms this trend recording for the period 2001-2010 an impressive growth in their commerce from 3,312.89 million dollars to 29,391.08 million dollars.³⁷

In the end, Chinese companies substituted American and European enterprises that were forced to abandon the country obeying to the economic sanctions imposed by their governments. As a consequence, during the period of 2006-2007, the Chinese authorities signed several contracts with Iran in order to assure an “annual export of ten million tons of natural gas to China over the next twenty-five years, plus guarantees of explorations and

³² John S. Park, “*Iran and China*”, October 29, 2010, in “*United States Institute of Peace: The Iran Primer*”, <http://iranprimer.usip.org/resource/iran-and-china> accessed on May 17, 2015.

³³ <http://www.statista.com/statistics/221765/chinese-oil-imports-by-country/>, accessed on September 30, 2015.

³⁴ US Energy Information Administration, “*China*”, February 4, 2014, in <http://www.eia.gov/countries/>, accessed on May 17, 2015.

³⁵ *Supra n. 27.*

³⁶ *Ibidem.*

³⁷ *Ibidem.*

drilling rights in Iran for China's state oil company, China National Petroleum Corporation".³⁸ Stefan Halper, an eminent foreign policy scholar author of the book "*The Beijing Consensus: How China's Authoritarian Model Will Dominate the Twenty-First Century*", is persuaded that "these deals serve two functions: they help to keep the lights on and the factories running in China's high-speed industrial revolution, and they also provide a useful check on Western influence in the Middle East"³⁹.

The PRC is also committed in Iran in the export of arms and advanced technologies, for instance missile control and guidance systems⁴⁰. In this field, the major example is given by the China North Industries Corporation (NORINCO), a company which trades in high-tech defense products and in domestic civil construction projects. In 2003, this enterprise was banned in the United States exactly because it was suspected of selling missile-related goods to Iran⁴¹.

In conclusion, while it was previously interested mainly in Iranian gas and oil, China is now taking advantage from the economic sanctions imposed by its previous partners. Consequently, Chinese goods are now replacing those of Greece, Germany and Italy, the former starting points of the Iranian imports, even if they are of a lower quality. More specifically, according to a research of the Massachusetts Institute of Technology (MIT), what PRC exports the most to Iran are automobiles, industrial equipment and consumer goods⁴². Chinese firms result also extremely dynamic in the sector of infrastructure building. In point of fact, in this particular field they have the leading role in several projects considered vital.

To this purpose, it is meaningful to talk about the Sadr Expressway's expansion project. This plan, carried out in 1999, saw a massive involvement of several Chinese firm⁴³, among which the aforementioned NORINCO can be noticed, in the construction of the Tehran subway's Line 5. To realize the scope of this contract, it must be said that this plan permitted to construct the first line of the Iranian first metro's system⁴⁴.

³⁸ Stefan Halper, "*The Beijing Consensus: How China's Authoritarian Model Will Dominate the Twenty-First Century*", April 6, 2010, Basic Books.

³⁹ *Ibidem*.

⁴⁰ *Ibidem*.

⁴¹ "*US punishes firms in Iran and China*", May 23, 2003, <http://news.bbc.co.uk/2/hi/business/2931154.stm> accessed on May 17, 2015.

⁴² *Supra n. 15*.

⁴³ *Ibidem*.

⁴⁴ "Norinco", <http://www.unitedagainstnucleariran.com/company/norinco>, accessed on September 30, 2015.

The President Ahmadinejad “Look East” strategy was a fundamental premise for achieving those results. In fact, the target of this policy is the tightness of the economic, political and cultural relations with the non-Western countries. As a part of this strategy, Iran entered in 2005 inside the Shanghai Cooperation Organization (SCO) as an observer state. This is a regional inter-governmental organization, which operates in Central Asia with the task of coordinating different countries upon several issues, in particular Non-Traditional Challenges. As for the present, its members are China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. However, in 2008 President Ahmadinejad announced its intention of reaching the status of full membership. In fact, in his vision, the organization can potentially be a future guarantor of Iranian security⁴⁵.

Investigating the diplomatic ground, China results one of the main promoters of the P 5+1 negotiations, the international effort of discussing the question of the Iranian nuclear program in a peaceful way led by the Permanent Members of the Security Council plus Germany. In this dialogues, the official Chinese position is to consider the Iranian desire to develop a civil nuclear plan as absolutely legitimated. Therefore, it is extremely proactive in the research of a peaceful resolution of the issue⁴⁶. The recent change in the United States’ attitude toward Iran feeds the optimism regarding the chances of a diplomatic resolution of the question.

Nevertheless, despite meaningful achievements, China-Iranian relations see several issues at stakes for both parts. As for what concerns China, its main problem is the risk related to its challenge to the international sanctions. Hence, it must be aware of the hazardousness of dealing with Iran. On the other hand, the Islamic Republic have to be attentive to the potentially overwhelming concurrence of the Chinese goods, that puts in danger local manufacture industries, and to be conscious of the serious peril of depending almost entirely from the Chinese market⁴⁷.

Especially the last threat, it can affect all the non-oil sectors and eventually lead to an undiversified economy. In fact, if doing business with China can relief Iran from some imbalances created by the economic sanctions, it could be not sufficient. The PRC is taking a big risk in maintaining such a large amount of imports from Iran in the actual scenario. Indeed, the most recent trend of the Chinese oil imports from Iran shows a slowing down of the

⁴⁵ *Supra n. 32.*

⁴⁶ *Supra n. 27.*

⁴⁷ *Supra n. 15.*

flows⁴⁸. Moreover, it seems very likely that this process of “oil import diversification” will not stop in next years, being more liable to foresee the continuance of this trend.

1.4 Saudi Arabia, the stronghold of the American presence.

The Kingdom of Saudi Arabia is the most important economy of the region. Having “16% of the world's proved oil reserves”, according to the US EIA, it “is the largest exporter of total petroleum liquids in the world, and maintains the world's largest crude oil production capacity”⁴⁹. It has also the control of the world's second largest hydrocarbon reserves.⁵⁰ Moreover, as stated by the Saudi Arabian General Investment Authority (SAGIA), “Saudi Arabia [represents] the perfect investment opportunity”.⁵¹ Ranking 3rd in the world for “fiscal freedom” and having an economic growth rate of 3.6%, it is one of the world's Top 25 most competitive economies and the largest addressee of FDI in the Arab world.⁵² Finally, being the bulk of the Arabian Peninsula and overlooking both the Red Sea and the Persian Gulf, it has a strategic position from the point of view of commerce. It substantially is the main access route to the entire area.

For all these reasons, it occupies a pivotal role within the Chinese Strategy in Middle East, even if their diplomatic relations were the last one in the area to be established. However, despite being the stronghold of the American presence in the region, China-Saudi Arabia relations rapidly filled the gap with the more antique US-Saudi Arabia partnership. At present, the PRC is Saudi Arabia's first source of imports (US rank second), and the third target of its exports (US rank first).⁵³ Nevertheless, given its great geopolitical importance, there still is a heavy occupancy of the American Army in its territories, proven by the presence of a large amount of US military basis.

As for China-Saudi Arabia relations, they officially started in 1990, although their economic relations were already active since the late 1980s. It was during the new millennium that they

⁴⁸ *Supra n. 32.*

⁴⁹ US Energy Information Administration, “*Country Analysis Brief: Saudi Arabia*”, September 10, 2014.

⁵⁰ *Ibidem.*

⁵¹ Saudi Arabian General Investment Authority, <https://www.sagia.gov.sa/en/Why-Saudi-Arabia/The-hard-facts/>, accessed on September 30, 2015.

⁵² *Ibidem.*

⁵³ <http://www.tradingeconomics.com/saudi-arabia>, accessed on September 30, 2015.

started to flourish, rising of almost ten times in just a decade⁵⁴. More specifically, during the period 2001-2010, the volume of their bilateral trade grew from an amount of 4,075.19 million dollars up to 43,195.49 million dollars⁵⁵. Representing 19% of the total⁵⁶, until 2015 Saudi Arabia was the first country for China's imports of crude oil. Only in April, Russia manage for the first time to overtake it as the largest supplier of oil to China, reaching 21% of the total imports.⁵⁷

The principal reason why Saudi Arabia delayed that much the recognition of the People's Republic of China was essentially ideological. Being it an absolute monarchy that proclaimed itself the protector of Islam and of all Muslim people, the Kingdom of Saudi Arabia regarded China as a "godless" and lawless country. On the other hand, the PRC considered it as a "reactionary" kingdom which supported the imperialistic ideas of the Western countries. In addition, reports about maltreatments of Muslim minorities in China furthered the hostile disposition of Saudi Arabia against China⁵⁸. In the end, Islam and Communism are two concepts which cannot be conciliated. Nevertheless, the two governments eventually managed to find a common ground of interest for overcoming their incomprehension.

It was exactly after the terroristic attacks of September 11, 2001, that Sino-Saudi relations received a new impulse. The acceleration of their mutual exchanges was achieved as a secondary consequence of the stall within the Saudi-American partnership. The freezing of their relations was the result of some evidence that linked some Saudi citizens to the 9/11 events⁵⁹. The stop of this advanced collaboration came in a favorable moment for China, which had just defined a strategy of deeper involvement in Middle East.

The final result was the recent Saudi Arabia's decision to assign its first foreign contract for the exploration of natural gas fields to Russian and Chinese companies, hence ignoring American companies⁶⁰. It can be considered a blow for the US, being the Kingdom in the fifth position in the world for possession of natural gas reserves and having exploited them only in a very superficial way.

⁵⁴ *Supra n. 27.*

⁵⁵ *Ibidem.*

⁵⁶ *Supra n. 33*

⁵⁷ Ami Sedghi, "Russia overtakes Saudi Arabia as largest supplier of oil to China", June 24, 2015, in *The guardian*, <http://www.theguardian.com/business/datablog/2015/jun/24/russia-overtakes-saudi-arabia-largest-supplier-oil-china>, accessed on September 30, 2015.

⁵⁸ *Supra n. 27.*

⁵⁹ *Ibidem.*

⁶⁰ *Ibidem.*

The peak of Sino-Saudi relations was reached in 2006, when the former king Salman bin Abdulaziz decided to organize its first foreign visit in Beijing, rather than flying to Washington, the traditional ally⁶¹. In 2012, the former American Secretary of State Hillary Clinton stated: “last year, Saudi exports to United States fell to 989,000 barrels a day, the lowest level in 22 years, from 1.5 million barrels a day the previous year”⁶². At any rate, as reported by SAGIA, in 2015 the United States was found to be the largest trading partner of Saudi Arabia, while the Kingdom represents the largest market in the Middle East for American exports.⁶³

Chinese imports from Saudi Arabia principally petroleum and natural gas. It could not be otherwise considering that Saudi Arabia’s oil exports accounts for 85% of its total export revenues⁶⁴. In exchange, China exports consumer goods and services. Also Chinese arms are purchased by the Kingdom, which results to be their third buyer in the region after Egypt and Iran⁶⁵.

Diplomatic relations are improving likewise. As a proof of this, the Association of Chinese Companies in Saudi Arabia was established on March 2012 under the guidance of the Chinese embassy⁶⁶. The declared target settled by the two nations is to increase their bilateral trade up to reach 100 thousand million dollars by 2015, a task that is very likely to be far surpassed.⁶⁷

Additionally, also their cultural ties are becoming stronger and stronger. Once gone beyond its concerns about the possibility of indoctrination operated by the communist system, Saudi Arabia is now committed in the intensification of the exchanging students from and towards China. As an example of the success of this policy, and also as a part of the celebrations for the commemoration of the twentieth year of Sino-Saudi relations, the first Sino-Saudi Youth Forum was held in Beijing on July 21, 2011, under the direction of a Saudi youth delegation⁶⁸.

The benefits gained by both parties are substantial. On the Saudi Arabia side, its purchasing of Chinese arms and low-price commodities is diminishing its dependence from the Western countries. At the same time, it is subsequently weakening the American influence in the

⁶¹ *Supra n. 27.*

⁶² *Ibidem.*

⁶³ Saudi Arabian General Investment Authority, <https://www.sagia.gov.sa/en/SAGIA/Media-centre/News/Kingdom-is-the-largest-trading-partner-export-market-for-US/>, accessed on September 30, 2015.

⁶⁴ *Supra n. 49.*

⁶⁵ *Supra n. 27.*

⁶⁶ *Ibidem.*

⁶⁷ *Ibidem.*

⁶⁸ *Ibidem.*

region. This way, it also aspires to reach a greater involvement of China within the Middle East area in order to have its support in the resolution of some important issue (i.e. the Palestinian question, the UN missions of peace-keeping and peace-building still present in some territories). On the other hand, the PRC seeks the Saudi support in the management of its internal problems with the separatist and terrorist forces. Lastly, making Saudi Arabia subscribing the One-China policy, it aims at blocking Taiwan away from the Arab Peninsula⁶⁹.

However, some problems remain at stake. In fact, as the great part of the MENA region, Saudi Arabia is affected by a security issue. In 2006, for example, its pipelines and export networks were targeted by a terroristic attack claimed by Al-Qaeda⁷⁰, the terrorist movement founded upon a radical Islamic ideology. Dreading the planning of new strikes, the government decided to increase the number of the National Guard officials and of the military security men deployed in defending its exports. In addition, it decided to create multiple options for the transportation and the distribution of the oil. Nonetheless, a certain degree of uncertainty remains, therefore making at least hazardous a profound involvement inside the area.

1.5 The peculiar case of Algeria.

If African countries are becoming China major suppliers of energy and mineral, Algeria is certainly its primary provider. The People's Democratic Republic of Algeria is the heart of the Arab presence in Africa and the country with the largest territory of the continent. It has a strategic location and an extraordinary potential of economic growth, as it was proved in 2007 when it resulted to have the highest industrial Gross Domestic Product (GDP) of the whole area. The US EIA's report of 2014 described the country as "the leading natural gas producer in Africa, the second-largest natural gas supplier to Europe, and [...] among the top three oil producers in Africa." Furthermore, "Algeria is estimated to hold the third-largest amount of shale gas resources in the world".⁷¹

⁶⁹ *Supra n. 27.*

⁷⁰ Simon Henderson, "Al-Qaeda Attack on Abqaiq: The Vulnerability of Saudi Oil", February 28, 2006, in "The Washington Institute for Near East Policy", <http://www.washingtoninstitute.org/policy-analysis/view/al-qaeda-attack-on-abqaiq-the-vulnerability-of-saudi-oil>, accessed on May 18, 2015.

⁷¹ US Energy Information Administration, "Country Analysis Brief: Algeria", July 24, 2014, in "Independent Statistic & Analysis".

Nevertheless, its economy is classified as “less performing, with low growth and high unemployment rates”⁷², with an estimated unemployment rate of 10.6% in 2014⁷³. This is due to the fact that, despite of having several sources of raw material (i.e. oil, natural gas, hydrocarbon, phosphates, iron, uranium and zinc), a developed agriculture, an industrial sectors and a population well-educated and labor-skilled, its economy is pledged by mismanagement, inefficiency in the development of private and public works, corruption, instability and by a civil war⁷⁴. In fact, as attested by the same US EIA, “gross natural gas and crude oil production have gradually declined in recent years, mainly because new production and infrastructure projects have repeatedly been delayed”.⁷⁵

Within this framework, China and Algeria have developed a very peculiar relationship. In fact, their relations began even before the birth of the Algerian state, having the PRC recognized immediately the Provisional Government of the Algerian Republic established in 1958⁷⁶. Taking into account that four years more had to pass until the end of the civil war and the achievement of the independence, their relations seem to be built on a solid foundation. Indeed, since that moment, their economic exchanges and demonstrations of friendship never stopped.

Together with Albania, Algeria strongly backed the entrance of the People’s Republic of China inside the United Nations organization. Moreover, it played the role of Chinese ambassador within the African continent, being a great supporter of the Sino-Africa relations. Eventually, it is the seat of one of the most numerous Chinese community inside the region, being also present a Chinatown in Algiers⁷⁷.

From China’s perspective, it greatly supported and admired the Algerian civil war, being moved by the struggle of its population against the Western imperialism. When on July 5, 1962, its independence was declared, the PRC was the first non-Arab country to recognize Algeria to envoy medical aids to the exhausted population.⁷⁸ This was the beginning of a long and fruitful collaboration. Nowadays, China represents Algeria’s second trade partner, after

⁷² *Supra* n. 27.

⁷³ <http://ieconomics.com/algeria-unemployment-rate>, accessed on September 30, 2015.

⁷⁴ *Supra* n. 27.

⁷⁵ *Supra* n. 71.

⁷⁶ François Simon, “*Algeria: Africa’s largest Chinese community*”, February 26, 2013, <https://dragonstrail.wordpress.com/2013/02/26/algeria-china-community-affairs/comment-page-1/>, accessed on May 18, 2015.

⁷⁷ *Ibidem*.

⁷⁸ *Supra* n. 27.

France, counting for 10.6% of its commercial relations.⁷⁹ Their bilateral exchanges rose incredibly during the period of 2001-2010, when they departed from 198.85 million dollars up to reach 5,177.32 million dollars⁸⁰.

In 2012, China exported 5.8 billion dollars towards Algeria, accounting for 12.5% of its imports. However, Algerian exports towards China amounted only to 3.6% of its total importation, ranking only tenth between the countries from which China imports. This imbalance can be easily explained by the modest extent of Algeria's oil resources. Despite this, the country still placed third in Africa for oil reserves, which still account for 97% of its exports⁸¹. In fact, current Sino-Algerian ties rotate mostly around their political coordination, having moved ahead to the trade cooperation only at a later stage. Finally, their rapports interest also other sectors like health, education, science, research, development, defense and energy⁸².

Although their links have reached an advanced level, the two nations are still seeking the fostering of their relations. To this purpose, in 1982 the China-Algeria Joint Commission of Economics, Trade and Technology was established. The original aim of this committee was to promote their cooperation in the sectors of oil, natural gas, goods, services, construction and investments. However, it lately enlarged its objectives, until including also the fields of energy sources and of scientific cooperation.⁸³ Its advancements were impressive, of such a great extent that Algeria adopted it as the model for its other bilateral economic ties.

On February 2014, they celebrated the 55th anniversary of their diplomatic relations. Yet, the most recent evolvement in their relations is represented by the visit of the Algerian Prime Minister Abdelmalek Sellal on April 29, 2015, to Beijing, the first after the independence. In the occasion of this meeting, organized in order to honor ten years of strategic cooperation, Chinese President Xi Jinping stated that "China and Algeria are brothers" and announce the intention of fostering the comprehensive strategic partnership existing between the two nations.⁸⁴

Their recent agreement on oil and gas will encourage the naissance of a new stage of cooperation in the energy field, having the Chinese oil companies (China National Petroleum

⁷⁹ *Supra n. 27.*

⁸⁰ *Ibidem.*

⁸¹ *Supra n. 76.*

⁸² *Supra n. 27.*

⁸³ *Ibidem.*

⁸⁴ XinHua, "China, Algeria pledge closer partnership", April 30, 2015, http://news.xinhuanet.com/english/2015-04/29/c_134197013.htm, accessed on May 18, 2015.

Corporation, China Petroleum & Chemical Corporation and China Petroleum Engineering & Construction Corporation) launched their largest investments in the country.⁸⁵

Nevertheless, the construction industry is the Algerian sector which saw the major involvement from China. More than 50 Chinese companies operate on this ground. Among them, the principal enterprise on the territory is the China State Construction Engineering Cooperation (CSCE), which is accountable for several important works, such as highways, ports, telecommunication towers, hotels and many others. One of its remarkable works is the project of the Grand Mosque, which is planned to become the third largest mosque in the world, after Medina's and Mecca's mosques. The project is expected to cost a total of over 1 billion dollars⁸⁶.

However, Chinese firms already completed more expensive projects, such as the construction of the great airport of Algiers (the "Houari Boumedienne") in 2006, which required 2.6 billion dollars. They were involved also in the building of two-third of the East-West 1216 km-long motorway, the highway which connect Morocco and Tunisia and is "considered as Algeria's most important road project and the largest public works project in the world",⁸⁷ which amounted to over 11 billion dollars. Other 30 million dollars were finally required for the construction plan for the Algiers' Opera House, which started in 2012⁸⁸.

Also Chinese FDI towards Algeria are in continuous growth. In 2010, they reached the sum of 1,000 million dollars⁸⁹. The main reason for this abundance of investment is the Algerian banks tendency to avoid imposing restrictions upon financing projects.⁹⁰ However, despite these impressive results, the Chinese involvement in the country is primarily focused upon exports, especially the transferring of building material and the textile⁹¹.

Apart from these undoubtable successes, the same problems that other countries are finding in dealing with China arose also within their relations. That is to say the unbearable concurrence of these firms and the Chinese exportation of workers. There are two main explanations why Chinese companies manage to wipe out the local competition. Firstly, they usually supplies lower-cost works and shorter deadlines for their services. The rapidity of a project became

⁸⁵ *Supra n. 14.*

⁸⁶ *Supra n. 76.*

⁸⁷ "East-West Highway, Algeria", <http://www.roadtraffic-technology.com/projects/eastwesthighway>, accessed on September 30, 2015.

⁸⁸ *Ibidem.*

⁸⁹ *Supra n. 27.*

⁹⁰ *Supra n. 14.*

⁹¹ *Supra n. 76.*

fundamental after the start of the Arab Spring, when the instability of the region reached its peak. Secondly, they do not ask for human rights protection or anti-corruption policies as a precondition for starting the works⁹².

On the other hand, its policy of importing also Chinese workers, along with material and industries, is not popular among Algerian people. As an example, 12.878 workers were imported from China for the construction of the highway.⁹³ The project of the Great Mosque can be mentioned as further example. In fact, its proposal was supposed to create 1700 new jobs. However, in 2012, Air Algérie declared to have signed an agreement with the CSCE to transport at least 10,000 Chinese workers to be employ in the project. The explanation for this maneuver was that these persons were sustained to be “more qualified, punctual and hard-working than Algerians”⁹⁴. As a consequence, this flow of capitals and public works is not diminishing the great unemployment problem faced by Algeria.

On the contrary, Chinese firms sustain that local workers are “less disciplined, less productive and less committed to work than their Chinese counterparts”⁹⁵. However, this is a consequence of the policy adopted by these companies, which pay low salaries and offer severe work conditions to their employees. Usually, these represent unacceptable standards for local populations. The direct consequence of this type of policy was the diffusion of discontent among the Algerian people. In the end, during the summer 2009, they entered in conflict with the Chinese community up to implement violence⁹⁶. Nevertheless, in the end Chinese entrepreneurs kept arriving in Algeria because they consider it to be a “business heaven”⁹⁷.

⁹² *Supra n. 76.*

⁹³ *Supra n. 14.*

⁹⁴ *Supra n. 76.*

⁹⁵ *Supra n. 27.*

⁹⁶ *Ibidem.*

⁹⁷ *Supra n. 76.*

CHAPTER 2: THE RETREAT OF AMERICA

At the same time when China is penetrating more and more within the MENA's economies, the United States is adopting a foreign policy which is leading them to more proximate shores. The American recent strategy represents an element that facilitated the People's Republic of China in developing an approach of greater involvement in the area.

In the aftermaths of the 9/11 attacks, the US, the resulting hegemonic power inside the region after the struggle against the Soviet Union, implemented a course of action entirely focused upon Middle East. In this regards, in 2004 the George W. Bush Administration proposed a new concept in order to deal with these countries, namely "The Great Middle East". With this idea, the American President aimed to gather together all the Muslim nations. Therefore, sometimes also some Central Asia states with a significant Muslim minority are grouped inside this broad notion. However, its usage almost matches with the definition of MENA countries, with the addition of Afghanistan, Pakistan and the Horn of Africa's states. Hence, in the paragraphs below, this definition of Middle East will be often used as a synonymous of MENA.

This new geographic delineation came after the launch of the "war on terror" operated by President George W. Bush, which produced two major conflicts in Iraq and Afghanistan in the declared attempt of eradicating international terrorism. Instead, the direct consequences of this policy was to attract the worldwide criticism and to boost anti-Western feelings among the population of the region.

The evident failure of this policy was one of the cause of the major change in the American foreign policy embraced by the succeeding administration. In fact, once elected, President Barack Obama reconsidered the American international strategy and opted for a shift in the direction of the Pacific area. His major aim was to construct stronger ties with the states located in South East Asia, while loosening as much as possible tensions in Middle East. Nevertheless, both the Arab Spring's riots and the establishing of the Islamic State occurred during his presidential terms, thus making tougher to achieve these goals.

On the contrary, one of the immediate outcome of this policy was to alarm China about the possible carrying out of a plan at its expenses. As a matter of fact, the PRC interpreted Obama's "Rebalancing" strategy as a project of "containment" against it, along the lines of

that operated to the detriment of the former Soviet Union. Therefore, China moved faster in dealing with the MENA countries also as a reaction of the new American approach towards its closest neighbors.

The perceived provocative attitude of the United States inside the Chinese principal area of influence, convinced the PRC to pose a similar challenge to the US in its traditional area of hegemony. Moreover, the paternalistic American attitude towards the developing countries contributed also to the spread of a negative image of the West and pushed those countries to seek for alternative sources of commerce and economic assistance. The success of the “Beijing Consensus” can be easily explained in this manner.

As for what concern the United States, it remains to see if the Pacific tendency will be confirmed also by the next administration or there will be a massive return towards the MENA region, above all in a more convinced attempt to securing the area. At the present, it makes a certain impression to observe that President Obama did not substantially change its “Pivot to Asia” strategy in response to the ISIL’s menace.

2.1 US-MENA relations before Obama: when the region was the priority in the American agenda.

If China maintained relations with the area since ancient times, America links with the MENA region are more recent. However, it was in the beginning of the 20th century that the US achieved a resounding success among the European colonies, which started to admire and respect it in relation to its attainment of the independence from England.

The turning point for the future greater involvement of the US in the region occurred on February 14, 1945. This was the day of the first meeting between King Abdulaziz ibn Saud of Saudi Arabia and the President of the United States of America Franklin Delano Roosevelt. The encounter, which took place on board the USS Murphy destroyer, signed the start of US-Saudi relations⁹⁸, known as the strongest American partnership inside Middle East. Since this

⁹⁸ Thomas W. Lippman, “*The Day FDR Met Saudi Arabia’s Ibn Saud*”, April-May 2005, published by “*Americans for Middle East Understanding, Inc.*”, Volume 38, Issue 2, Link Archives: www.ameu.org.

moment, the overall Arab-American relations progressively consolidated, at least until international terrorism struck the US on its soil.

During the Cold War period, its involvement in the area was mainly spread between the ideological struggle against the Soviet Union and its concern about the fate of Israel. In fact, most of the hostility that regularly erupted in the region were attributable to the Arab-Israeli conflicts. Therefore, the American involvement in the region was never a mere economic and diplomatic commitment, as testified also by the recent Iraqi and Afghani wars.

In addition, the US is suspected to have organized several regimes subversions in the area, as well as to be the supporter of some dictatorships. About this, in a number of cases it also turned against them. It happened, for instance, with the President of the Republic of Iraq Saddam Hussein. His regime was one of that backed by the US even if it was well-known for its violations of human rights⁹⁹. Nonetheless, when it became a threat for the American interests, it was enlisted among the countries part of the so-called “axis of evil”, namely the nations accused to back terrorism and to be committed in the developing of weapons of mass destruction. In fact, although the United States supported Iraq during its war against Iran, it turned against it when Iraq decided to invade Kuwait. This despite the fact that murderous acts against the Kurd minority and other groups considered dangerous for the regime were numerous also before 1990.

However, one of the best examples of this US’ practice is represented by Afghanistan. In the framework of the larger definition of Middle East, this state has the most emblematic case of what CIA agents define “Blowback”. In fact, the term, used to identify an operation or an agent that at a certain point backfires its creator, fits perfectly well the case of Osama bin Laden, the founder of Al-Qaeda¹⁰⁰. In point of fact, he and several other America’s enemies came from the group of *Mujahideen* subsidized by the United States during the 1979 Afghani war in order to defeat the Soviet Union.

Iran represents another example. In this case, the United States was involved in the overthrow of the democratically elected government in order to substitute it with a monarchy headed by King Mohammad Reza Shah Pahlavi. This was one of the main factors that led the population to rise against the pro-Western regime during the Iranian Islamic revolution. The leader of the

⁹⁹ Anup Shah, “*The Middle East conflict—a brief background*”, July 30, 2006, in “*Global Issues*”, <http://www.globalissues.org/article/119/the-middle-east-conflict-a-brief-background>, accessed on May 18, 2015.

¹⁰⁰ *Supra* n. 13.

revolt, the Ayatollah Ruhollah Khomeini, called the US the “Great Satan”¹⁰¹, underlining the anti-America spirit of the uprising. The subsequent hostage crisis arose from the same animosity. Hence, still today Iran remains a great issue for the United States.

The cornerstone of the American presence in the region is represented by its relations with Saudi Arabia. Based upon the exchange of security for oil, their partnership moved also to cover other sectors. In the end, they managed to arrive to the coordination in the international affairs. Departing from this collaboration, America achieved the enforcement of its presence inside the Middle East area. This way, it succeeded in assisting Israel and its other allies in the region, in securing the oil fields and in containing the Soviet threat.

Recently, its targets are slightly changed. In effect, despite the disappearance of the communist menace, the emergence of the international terrorism and the instability of the region created a more complex situation. Moreover, some reports informing of the presence of Saudi citizens in the ranks of the terrorists that launched the 9/11 attacks led to a freezing of the crucial US-Saudi relations¹⁰². This latest events, in the end, resulted in an opportunity of expansion in the region for China.

It was the ascendancy of the violent Islamic fundamentalism in its form of international terrorism that changed the American attitude towards the region. The United States started to see the Middle East as the fount of the religious extremism and as the seat of two of the three members of the “axis of evil” (Iran and Iraq). Furthermore, as demonstrated by the definition of “Great Middle East”, the entire Muslim world was seen as composed by religious extremists¹⁰³. More pictorially, the historian Bernard Lewis called the zone the “Crescent of Crisis”, while the geostrategist Zbigniew Brzezinski had foreseen in 1979 that “an arc of crisis [would have] upsurge[d] in Islamic fundamentalism [and] would [have led] to a great stretches along the shores of the Indian Ocean, with fragile social and political structures in a region of vital importance to us threatened with fragmentation. The resulting political chaos could well be filled by elements hostile to our values”.¹⁰⁴

President George W. Bush entirely focused the American foreign policy on this area. In fact, the Iraqi and the Afghani wars were the immediate response to the 9/11 attacks, being the

¹⁰¹ Ian Black, “Iran and the ‘Great Satan’”, July 16, 2008, in *The Guardian*, <http://www.theguardian.com/world/2008/jul/16/iran.usa1>, accessed on May 18, 2015.

¹⁰² *Supra n. 27*.

¹⁰³ Thierry Meyssan, “Geopolitics in the Middle East”, September 16, 2010, <http://www.currentconcerns.ch/index.php?id=1106>, accessed on May 18, 2015.

¹⁰⁴ http://www.larouchepub.com/eiw/public/2002/eirv29n03-20020125/eirv29n03-20020125_047-bernard_lewis.pdf, accessed on September 30, 2015.

results of his launch of the “war on terror”. However, this openly aggressive strategy led to a reassessment of positions by the Middle Eastern countries towards America. In particular, the Iraqi invasion was not appreciated by numerous nations around the world and, in the end, not even by several American people.

In addition, it had another unintended outcome: the apparently difficult triangle composed by Turkey, Syria and Iran. These three countries started to cooperate exactly on the common ground of their anti-Americanism. They even opened their shared borders. Moreover, Turkey refused to concede the usage of the NATO basis on its territory to United States as a starting point for its actions against Iraq¹⁰⁵. Nevertheless, since they are non-traditional allies, their cooperation presents also several issues.

Lastly, President George W. Bush added a further feed to the negative perception of America in the area with an infelicitous statement during his premature “Mission accomplished” speech in 2003. In that occasion, beyond erroneously affirming to have posed an end to the Iraqi war, he also clearly called for a regime change in Iran and Syria and for territorial modifications in Saudi Arabia¹⁰⁶.

This declaration had also the effect of worsening the United States’ relations with Saudi Arabia, which promptly directed to enforce its ties with China. In those years, the American popularity worldwide reached its lowest point. This result was achieved also thanks to the formulation of the “Bush Doctrine”, which expressed in favor of preventive military actions inside the US’ foreign policy. Therefore, the election of the first black man at the White House made the world hope for a complete change in the American attitude.

2.2 The Obama Administration and its “Rebalancing” strategy: reacting to the change of the geopolitical global center.

When Barack Obama was elected as the 44th President of the United States in 2009, he assumed the office in a particularly complex historical moment. The previous administration had left a heavy inheritance to him: the ongoing global “war on terror”, the unconcluded war in Iraq and the aftermaths of the Afghani war. Moreover, the worldwide image of the US was

¹⁰⁵ *Supra n. 104.*

¹⁰⁶ *Supra n. 27.*

at least compromised, whilst the global economic crisis and the internal financial situation provoked the population to ask for a more domestic-oriented strategy.

As a result, President Obama immediately put some distance from the policies of his predecessor. The major change of course was performed in the field of foreign policy. On this ground, though obliged to work in order to truly accomplish the “mission” in Middle East, he decided to move the American attention from a complete focus on Middle East and Europe towards a major involvement inside the South East Asia. His purpose is to create or strengthen the ties inside a traditional zone of interest for the United States.

He considered essential to emphasize the historical connection that the US already had with this area, therefore he wanted to clarify that this maneuver is not a “Pivot to Asia”, but rather a “Rebalance”. This way, he wishes to avoid misinterpretations, namely the perception that until the formulation of this strategy America was not engaged inside the South East Asian area¹⁰⁷. Being the Pacific area always been of strategic importance for the US, he wanted to underline that this new approach is not a complete alteration of the American foreign policy. It is a mere “readjustment” of the US’ international relations.

The first visit abroad of the Secretary of State Hillary Clinton was the first step toward the implementation of this different course of action. In fact, the destination of this official visit was Asia, with an important stop in Beijing¹⁰⁸. The main target of President Obama’s vision is the creation of additional opportunities for trade and investments in a zone composed of developing economies. The grasping of the consumptions of their emergent middle class are, instead, the main objectives of the American goods exports.

Hillary Clinton analyzed this strategy in an article for the magazine *Foreign Affairs*. In the piece, she identified the six paths of development of the policy, namely “strengthening bilateral security alliances; deepening America’s relationships with rising powers, including China; engaging with regional multilateral institutions; expanding trade and investment; forging a broad-based military presence; and advancing democracy and human rights”¹⁰⁹.

¹⁰⁷ Hafsa Khalid, “*Pivot to Asia: US Strategy to Contain China or to Rebalance Asia?*”, February, 2015, in “*The Washington Review of Turkish and Eurasia affairs*”, <http://www.thewashingtonreview.org/articles/pivot-to-asia-us-strategy-to-contain-china-or-to-rebalance-asia.html>, accessed on May 19, 2015.

¹⁰⁸ David Nakamura, “*Obama aims to reinvigorate Asia strategy*”, April 16, 2014, in “*The Washington Post*”, http://www.washingtonpost.com/politics/obama-aims-to-reinvigorate-asia-strategy/2014/04/16/4a46ed5e-c4bf-11e3-bcec-b71ee10e9bc3_story.html, accessed on May 19, 2015.

¹⁰⁹ Hillary Clinton, “*America’s Pacific Century*”, October 11, 2011, in *Foreign Policy*, <http://foreignpolicy.com/2011/10/11/americas-pacific-century/>, accessed on May 19, 2015.

Finally, the area touched by the policy is very extended, expanding from Japan to Australia and interesting the whole South East Asia.

These objectives are manifestly arduous to be achieved. Moreover, President Obama will face several issues in dealing with these countries. First and foremost, there is a pressing need to secure peace in the region and to defend the freedom of navigation in the waters of the South China Sea (SCS)¹¹⁰. Two major menaces risk to prejudice the success of this plan: the Chinese claims upon a large part of the SCS, with the Chinese Nine-dotted line” (南海九段线 nánhǎi jiǔduàn xiàn), which refers to the demarcation line used by the PRC to indicate the extension of its territory with the inclusion of several contested islands located in the SCS; and the threat posed by the North Korean nuclear plan.

A problem related to the American development of this strategy is the Chinese perception of an American hidden plan of “containment” within the so-called “Rebalance” policy¹¹¹. This results in a more defensive Chinese attitude towards the United States and gives a greater impulse to China to advance also its involvement in the region. Moreover, the American commitment in intervening by the Japanese side in case of the outbreak of a conflict in the area troubles the PRC’s elite. Correspondingly, an unintended result of the policy is the creation of some tensions between the United States and China.

However, despite these shortcomings, the “Rebalance” strategy’s main picture implies principally a different participation of the US inside the Pacific area. Therefore, in order to achieve this goal, the United States became a member of the East Asia Summit (EAS), a forum created with the intention of being an appendix of the Association of Southeast Asian Nations (ASEAN) organization but in the end expanded its competence beyond it, and participating to the negotiations of the Trans-Pacific Partnership (TPP), a proposed trade agreement between several Pacific Rim countries which aims to integrate and deregulate their economic exchanges. Likewise, the US was the first external country to name an ambassador to ASEAN, the political and economic organization established by the South East Asian states, and to establishing a dedicated Mission in 2010.¹¹² It is also a member of the Asia-Pacific Economic Cooperation (APEC), a forum to promote free trade inside the Pacific region.

¹¹⁰ *Supra n.* 109.

¹¹¹ *Supra n.* 107.

¹¹² United States mission to ASEAN, “*US engagement with ASEAN*”, <http://asean.usmission.gov/mission/participation.html>, accessed on September 30, 2015.

Furthermore, the American plan aims also to improve its bilateral relations. For instance, it re-established diplomatic ties with Myanmar and deepened the strategic partnership with India. Besides, it also strengthened connections with other allies of the area, such as Taiwan, Vietnam, Philippines, Australia, Singapore and Indonesia.¹¹³ Nonetheless, Japan remains undoubtedly the United States' first partner in the region, as demonstrated by the recent enhancement of their alliance. In effect, in 2012 they defined new defense guidelines, which exalted their coordination and created a new type of US-Japan relations. For example, on April 2014 President Obama assured for the first time to the Japanese Prime Minister Shinzo Abe that their bilateral Treaty of Mutual Cooperation and Security, which maintains that the two nations will mutually assist in the case of an external threat to one of them, would activate also in order to protect the Senkaku islands.¹¹⁴ The declaration has a remarkable significance, in view of the fact that these islands are contested by China, which named them Diaoyu and is currently engaged in the transmission of a fierce anti-Japanese propaganda.

According to Robert S. Ross, professor of political science at Boston College, there are four motivations that urged the United States to adopt such a policy: 1) the need of reassessing the US' foreign policy resulting from the retreat of the American military forces from Iraq and Afghanistan; 2) the recent budgetary difficulties, which impelled the US to examine new and not expensive policy; 3) the growing importance of the South East Asian economies in the global dynamics and the progresses of their military capabilities; 4) the "perceived threat" of the fast China's rise¹¹⁵. However, the last point has a different weight than the others.

In fact, it is likely to have been one of the driving factors which led to the creation of the "Rebalance" strategy. Also the strengthening of its alliance with Japan goes in the same direction. However, it will probably end as a "self-fulfilling prophecy" in which China will further fortify its military development while enhancing its economic and diplomatic ties in order to respond to the "American threat". As a proof of that, the "containment" theory has already taken root in the minds of Chinese senior cadres, thus starting to worsen China-US relations¹¹⁶.

Nevertheless, despite these considerations, the improvement of the cooperation with China remains a cornerstone inside President Obama's foreign policy. This became evident in 2009,

¹¹³ *Supra n.* 109.

¹¹⁴ Carrie Gracie, "Obama pledges Japan islands support as Asian tour begins", April 23, 2014, in *BBC News*, <http://www.bbc.com/news/world-asia-27116863>, accessed on September 30, 2015.

¹¹⁵ *Supra n.* 107.

¹¹⁶ Robert S. Ross, "China II: Beijing as a Conservative Power", March/April 1997, in *Foreign Affairs*, <https://www.foreignaffairs.com/articles/asia/1997-03-01/china-ii-beijing-conservative-power> accessed on May 19, 2015.

when he launched the China-US Strategic Economic Dialogue (SED) together with the Chinese President Hu Jintao. In fact, the major task of this high-level bilateral forum is to create a place where directly discuss a wide variety of issues between the two states. Therefore, it is composed by a “Strategic Track”, jointly handled by the American Secretary of State and the Chinese State Councilor, and an “Economic Track”, led by the American Secretary of Treasury and the Chinese Vice Premier¹¹⁷.

Within this framework, the manner in which the US is realizing its strategy seems at least counter-productive, posing the risk of jeopardizing its relations with such an important partner. The reason why it is persisting in this hazardous approach is its necessity of creating new markets, being the United States a country which mostly relies on its exports. The South East Asian nations match perfectly this need. In point of fact, they have both a strategic position and an abundance of natural resources and raw material¹¹⁸. In other words, the Pacific area represents America’s new Middle East. On the other hand, also this strategy is now undergoing a revision in order to coordinate with the financial restrictions operated after the federal government shutdown in 2013.

At any rate, also other issues are gradually raising in the course of the deployment of the “Rebalancing” strategy. In fact, for instance, turning towards Asia implies for the United States the loss of a certain amount of influence within the Middle East. Instead, the recent goings-on require its intervention, especially because their main causes are related to the fact that external powers intervened in the region and later abandoned it leaving behind them hustle and bustle. The American departure from the area could reveal premature, and the worsening of its relations with China can compromise a future collaboration with the objective of securing the area. Having contributed to the creation of the actual situation, would be irresponsible on the part of the United States to completely withdrawal from Middle East, above all after the charges to China to behave as a free rider in the region.

¹¹⁷ Office of the Press Secretary, “*Statement on Bilateral Meeting with President Hu of China*”, in the *White House*, April 1, 2009, https://www.whitehouse.gov/the_press_office/Statement-On-Bilateral-Meeting-With-President-Hu-Of-China/, accessed on May 19, 2015.

¹¹⁸ *Supra n. 107*.

2.3 The current American policy in Middle East: maintaining the “Rebalancing” strategy despite ISIL.

Even if the United States has adopted the “Rebalancing” strategy, focusing its foreign policy toward South East Asia, this does not mean that it has completely abandoned Middle East. However, a part from its military commitment, the US presence inside the MENA region can be consider at best floating. For this reason, the Obama Administration is currently taking some steps in the direction of a change of the American posture in the region. The main proof of that is represented by the alteration of US relations with two of the major local actors: Iran and Israel.

Moreover, the modifications of their relations are clearly linked. In effect, though contacts between President Obama and the Israeli President Benjamin Netanyahu are cooling, diplomatic ties between the United States and Iran start to show some enhancements¹¹⁹. This depends from the fact that American strategy inside Middle East no longer requires an isolated Iran as a precondition. On the contrary, at present, President Obama aims to turn it in a responsible regional actor¹²⁰. In a certain way, this goal seems more and more achievable, since talks inside the P5+1 forum are progressing and Iran does not represent anymore the most pressing menace in Middle East.

The resuming of US-Iranian diplomatic relations was one of the declared targets of President Obama’s foreign policy. However, this task attracted several criticism, expressed even by other Democrats. The opposition to negotiations with Iran was evident on September 10, 2015, when a Republican resolution to reject the nuclear accord with Iran was blocked only after hours of discussion, leading President Obama to affirm that this vote was “a victory for diplomacy, for American national security, and for the safety and security of the world”.¹²¹

In effect, this agreement, signed in July 2015 inside the framework of the P5+1 talks, contains the recognition of the Iran’s right to develop a peaceful nuclear program and the Iranian promise to not create any nuclear weapon. Thus, it has a great historic meaning. However,

¹¹⁹ Udit Banerjea, “*Israel, Iran, and the Shifting Geopolitics of the Middle East*”, March 31, 2015, in “*The SAIS Observer*”, <http://saisobserver.org/2015/03/31/israel-iran-and-the-shifting-geopolitics-of-the-middle-east/>, accessed on May 19, 2015.

¹²⁰ *Supra n. 27*.

¹²¹ Jennifer Steinhauer, “*Democrats Hand Victory to Obama on Iran Nuclear Deal*”, September 10, 2015, in *The New York Times*, http://www.nytimes.com/2015/09/11/us/politics/iran-nuclear-deal-senate.html?_r=0, accessed on September 30, 2015.

even if Iran is giving a positive feedback to the new American attitude, President Obama did not completely exclude the usage of the military power in the case Iran would not respect a resolution coming from the United Nations or the International Atomic Energy Agency (IAEA)¹²². In fact, the improvement of their relations is also associated to the appearance of ISIL on the Iranian borders and their common interest in defeating it.

At the same time, while even the first phone call in three decades between the Iranian President Hassan Rouhani and President Obama took place, this more constructive phase of the US-Iran relations is annoying Israel¹²³, the traditional America's partner in the region. Since its establishment in 1948, the United States lined up with Israel in its conflict against the Arab world, aiding it both militarily and financially. Nevertheless, this attitude limited its actions inside Middle East, reducing the ground for dealing with almost all the Arab countries. Therefore, the current American tentative of restoring a dialogue with Iran is stiffening Israeli stances towards United States.

On the other hand, the hardening of their rapports could result in an opportunity for the US, which this way can achieve a larger freedom of movement inside the area. In effect, their previously ties were very strict, in such a manner that, when Israel was defeated by the Lebanese resistance in 2006, also the US' supremacy in the region was called into question¹²⁴.

At any rate, the real keystone of the American presence in Middle East still remains Saudi Arabia, the first American commercial partner in the area. This remains true even after some moments of tension rose in the immediate aftermaths of the 9/11 terrorist attacks and after the Saudi criticism of the Iraqi war. As a proof of that, the US has deployed a great number of military basis within its territories¹²⁵. Its strategic location and its production of crude oil, the largest in the world¹²⁶, attribute to it a great economic importance for the United States. Nevertheless, the US is currently seeking the achievement of a less dependence from oil imports, facilitated also by the increase of its domestic production of oil and natural gas.

Therefore, notwithstanding the intention to further the "Rebalancing" strategy towards South East Asia, it will be very likely that the US will remain inside Middle East, at least with their military branch. In effect, as stated by the Retired General John Abizaid, a former commander of the US Central Command, there are four main factors that will oblige the United States

¹²² *Supra n. 27.*

¹²³ *Supra n. 119.*

¹²⁴ *Supra n. 103.*

¹²⁵ *Supra n. 13.*

¹²⁶ *Supra n. 49.*

Army to linger in its actual positions: 1) the escalation of the Islamic extremism; 2) the Iranian revolutionary ideology; 3) the Arab-Israeli conflict; 4) the American dependence from oil imports¹²⁷.

In addition, America still today remains bounded to some controversial regimes in the area. It is the case of the Kingdom of Bahrein, accused of serious violations of human rights. A clear evidence of this was its violent response to the Arab Spring's movements in 2011, when it banned the protests and tortured some political prisoners¹²⁸. Nevertheless, the US considers it a strategic ally. Hence, it keeps sending to Bahrein weapons and money. The United States also moved to explain its position on the matter with a report dated 2012. In this document, where the Senate Foreign Relations Committee examined the US relationship with the six countries of the Gulf Cooperation Council, it can be read: "[United States] should not be quick to rescind security assurances or assistance in response to human rights abuses but should evaluate each case on its own merits"¹²⁹.

The emergence of the ISIL introduced a new actor inside the area. Nevertheless, President Obama did not substantially change his foreign policy as it was expected. The reason why of this choice is his conviction that the current conflict is a systemic war, namely a struggle capable of redefining the rules of the international system. It will be the assignment of the other regional powers to define the new balances in the area, this time without the interference of external powers.

The United States is now aware of lacking the capabilities of being the only superpower in the world. Therefore, it shifted its attention towards the Pacific area, where it can be a regional power. However, this is also the Chinese preferred zone for exercising its influence, beyond being the new geopolitical center of the world.

¹²⁷ Matthew Jaffe, "Abizaid Warns of 50-year U.S. Presence in Middle East", October 29, 2007, in *abcNEWS*, <http://abcnews.go.com/Politics/story?id=3792081>, accessed on May 19, 2015.

¹²⁸ the CNN Wire Staff, "Bahrain says ban on protests is response to rising violence", October 31, 2012, in *CNN*, <http://www.cnn.com/2012/10/31/world/meast/bahrain-amnesty-protests/index.html>, accessed on May 19, 2015.

¹²⁹ John Glaser, "US Plans to Surge Military Presence Across Middle East", June 19, 2012, <http://news.antiwar.com/2012/06/19/us-plans-to-surge-military-presence-across-middle-east/>, accessed on May 19, 2015.

2.4 Criticism and suspects between US and China on their presence inside the region.

In Washington, comments about the increasing of the Chinese involvement inside the Middle East and North Africa region are generally marked by suspicion. In fact, the idea that China is playing the “free rider” role inside the area is quite widespread among American political scientists. The common opinion is that the PRC is exploiting the US’ attempt to secure the region to enhance its economic exchanges with those countries.

Even the President Obama demonstrated to agree with this view. During an interview with Thomas Friedman, a columnist of the New York Times, he clearly stated: “They are free riders. And they have been free riders for the last 30 years and it’s worked really well for them.” In addition, he also admitted that “I’ve joked sometimes, when my inbox starts stacking up. I said can’t we be a little bit more like China? Nobody ever seems to expect them to do anything when this stuff comes up”¹³⁰.

The main reasons for these accusations are the absence of a Chinese military commitment, which is in sharp contrast with a large presence of the American army, and its policy to maintain a low profile regarding the internal questions of the other states, a foreign policy line which dates back to Deng Xiaoping “24-Character strategy”. This last approach foresees the keeping of a low profile (韬光养晦 tāo guāng yǎng huì, to lie low and hide your talent) in the external actions and is generally translated as “Observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership”.¹³¹ These are the previous Chinese guideline to pursue its national interest whilst enhancing its international relations. However, it is a shared opinion that these principles were abandoned in the last years.

The American impression is that its military actions allow China to continue its strategy without using its resources in the task of stabilizing the area. However, if truth be told, the US’ armed intervention is creating or amplifying several issues in the region. Above all, the Iraqi and Afghani wars fueled conflicts and mined at the foundations the stability of those states

¹³⁰ Bree Feng, “Obama’s ‘Free Rider’ Comment Draws Chinese Criticism”, August 13, 2014, in *The New York Times*, <http://sinosphere.blogs.nytimes.com/2014/08/13/obamas-free-rider-comment-draws-chinese-criticism/>, accessed on May 19, 2015.

¹³¹ Globalsecurity.org, “Deng Xiaoping’s ‘24-Character Strategy’”, <http://www.globalsecurity.org/military/world/china/24-character.htm>, accessed on September 30, 2015.

and negatively affected also their neighbor countries. In addition, although the Afghani war was judged legal on the basis of Customary International Law, the Iraqi war was not authorized by the Security Council.

In the end, these conflicts were also counter-productive for American scopes. In fact, given the large amount of casualties, the United States was charged of having overused the military tool. Moreover, the total absence of a sort of reconstruction plan for the aftermaths of the conflict conducted to tragic results. In fact, both the wars and their outcomes led to anti-American feelings among the Arab population and facilitate the growth of the Islamic extremism¹³².

Several reasons can be mentioned as explanations of the American intervention. Among the others, a major role was played by the intention of securing the oil sources. Additionally, also the willing of protecting Israel and the launching of the international struggle against terrorism were strong motivations for the conflicts. Nonetheless, it is hard to say that the wars actually serve these purposes or that they benefited China.

In fact, if America did not achieve the stabilization of the area, and certainly did not defeat terrorism, the PRC's commerce was badly affected by the combats. Therefore, although according to data Chinese oil imports increased during the period 2002-2012 from 1.4 million barrels to 5.4 million barrels, the same happened also for its price, which in ten years increased from 50 dollars per barrel to more than 100 dollars a barrel¹³³. As it is obvious, this progressive rise of prices was directly related to the instability of the region, which undoubtedly increased during and after these wars.

Consequently, China was rather damaged than advantaged by the American intervention. As a further example, also the United States' policy towards Iran played a disturbing role in the Chinese economic connections with this country. In fact, the US' trade embargo posed on Iran, and the international sanctions more in general, is inducing China to reduce its dependence on Iranian oil imports. Data confirmed this tendency, recording a fall from an amount of 600,000 barrels per day in 2012 to a total of 400,000 barrels per day in 2014¹³⁴.

¹³² Steve Smith; Amelia Hadfield; Tim Dunne, *Foreign Policy: Theories, Actors, Cases*, 2008, Oxford University Press, New York.

¹³³ Jin Liangxiang, *Fallacies about the US military presence in the Middle East*, October 21, 2013, http://www.china.org.cn/opinion/2013-10/21/content_30352616_2.htm, accessed on May 19, 2015.

¹³⁴ *Ibidem*.

Moreover, the PRC demonstrated also to be attentive to humanitarian aids, having bestowed some donations to the countries in need. It also created a special economic zone with Egypt, therefore expressing its support to the actual president Abdel Fattah el-Sisi, in order to promote Egyptian development and to increase its employment. Finally, it is actively engaged within the Arab Sea in the struggle against piracy¹³⁵. However, to tell the truth, these acts are not completely disinterested, as it is evident from the economic returns that China obtains from them. Nevertheless, its involvement remains bind to its non-intervention in other nations' internal affairs theory, thus being exempt from military initiatives.

The Chinese model is disliked by the US. In fact, it was extremely disappointed from the fact that the PRC, after its economic development, did not change its political system, as instead was expected by Washington. Moreover, its unprecedented growth rate is currently acting as a legitimizer of the authoritarian model for other developing countries. This paradigm is called the “market-authoritarian” model, a pattern of state’s evolution which demonstrates how fast economic development, political stability and governmental control over market forces can actually coexist. The model promises financial growth without the necessity of a regime change through policies of employment, of housing and giving to the people the real possibility of improving their lives¹³⁶. In exchange of these ameliorations, they are required to stay away from politics. These way, China is posing a serious menace to the American idea of spreading democracy through the liberalization of economy, giving also a new force to the regimes around the globe.

¹³⁵ *Supra n. 133.*

¹³⁶ *Supra n. 38.*

CHAPTER 3: THE CONTEMPORARY CHINESE ATTITUDE.

The Chinese involvement inside the MENA region grew at an exponential level during the last years. However, this tendency is not completely new, having its roots inside the ancient paths of the Silk Road. As for the present, it gained a strong impulse from the course of action imposed by Deng Xiaoping to the Chinese foreign policy. His formulation of the “Reform & Opening up” doctrine (改革开放 Gǎigé kāifàng), allows the modern PRC to reach an impressive scale of commercial relations with the external world through the endorsement of the investments.

Deng Xiaoping represents the second generation of the Chinese leadership. Nowadays, after the election of the current General Secretary of the Communist Party of China Xi Jinping, the fifth generation is in power. At the same time, China 3.0 entered into the scenes, foreseeing a new proactive role of the PRC inside the international community. In this regard, two simultaneous strategies are developing: “Go West” and “Leap East”. This way, China is trying to create new economic relations with the rest of the world eluding its concerns about an ongoing American “containment” strategy.

As for what concern its current commitment inside the Middle East and North Africa area, the Chinese interests expanded from the mere importation of raw material up to almost every economic sector, including also the fields of diplomatic relations and cultural promotion. Similarly, the amount of financial relations is constantly increasing. The planning of the New Silk Road project aims to further encourage this trend. The US is facing the loss of its uncontested hegemony inside the region, and future perspectives do not seem to foresee a reversal of this tendency.

The Chinese strategy in the area develops along the preservation of relations with all the states, even if they are opponent. Thus, it has to find a balance between these ties, a strategy which already showed some signals of deterioration. In addition, the Arab Spring, and its aftermaths, put a consistent challenge to the Chinese presence. However, it is very unlikely that the PRC will abandon its policy of non-intervention in order to respond to these issues. Instead, its answer seems more to be the reducing of its dependency from MENA’s energy resources and the diversification of the investments.

3.1 The evolution of the Chinese foreign policy

China is considered a “cradle of civilization”, namely one of the area from which the civilization emerged, and the founder of the “Confucian civilization”, the culture which originated in the banks of the Yellow River and which expanded to other Asian countries, such as Korea, Japan and Vietnam. For this reason, Chinese people tend to see themselves as the center of the world. In effect, “China” is only a name used by Western countries, especially Japan, instead of its Chinese name (中国 Zhōngguó, which literally means “the country at the center”).¹³⁷

However, the country has not yet emerged as the hegemonic power of the East Asia. In effect, the United States is currently playing in the area the role of offshore balancer, namely the part of a great power which tries to check the rise of a competitor state. Moreover, also the presence of several points of friction, such as the rivalry with Taiwan, the territorial disputes in the South China Sea and the strained relations with Japan, makes more difficult the ascent of China. Nevertheless, the “transition of power” from the US to the PRC seems almost unstoppable, even if the world will more likely evolve in a multi-centric system.

Yet, a century ago the Chinese Empire was going through the “century of humiliation”, the period of time in which it was almost colonized by the Western powers. It was Chairman Mao Zedong to declare its end with the foundation of the People’s Republic of China in October 1, 1949, after the victory against the Japanese invaders and the Nationalist of Chiang Kai-shek.¹³⁸ However, at that time China was an isolated, poor and underdeveloped country, which had first to face its domestic problems before turning towards the external world.

Since then, China saw fifth generations of leadership and experienced three different stages of development. As stated by Mark Leonard, director of the European Council on Foreign Relations, “the Chinese like to think of history progressing in 30-year cycles”.¹³⁹ Therefore, Chairman Mao was the head of the first generation of Chinese leadership, which ruled inside the framework of China 1.0 (1949-1976).

¹³⁷ Franco Mazzei, Elisa Rotino, “*The encounters between the East and the West*”, 2015, lecture n.1 of “*Asian Studies*”, LUISS Guido Carli, Rome.

¹³⁸ Franco Mazzei, Elisa Rotino, “*The encounters between the East and the West*”, 2015, lecture n.2 of “*Asian Studies*”, LUISS Guido Carli, Rome.

¹³⁹ Mark Leonard, “*China 3.0*”, November 2012, European Council on Foreign Relations (ECFR), London.

Started after the Korean war (1950-1953), China exited its isolation accessing to its seat inside the United Nations in 1971 and refastening relations with the United States. During this period, its foreign policy followed two major guidelines: the “One China policy” (一个中国政策 *yī gè Zhōngguó zhèngcè*), which not allow countries which recognize the Republic of China (Taiwan) to create ties with the People’s Republic of China, and the “Five Principles of Peaceful Coexistence”, which regulates relations among nations. The last principle is very Confucian in nature, foreseeing the behavior that states should adopt in order to preserve the social harmony. In fact, it prescribes the “mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence”.¹⁴⁰ These directions were rarely abandoned by China in the expression of its foreign policy and also today they represent the two tenets of its external strategy.

In 1978, Deng Xiaoping inaugurated the second generation of leadership (1978-1992) and gave birth to China 2.0 (1978-2012). He succeeded, with its “Reform & Opening up” strategy, also known as “Socialism with Chinese characteristics”, to launch the PRC inside the global market and to introduce some features of capitalism inside the domestic economy¹⁴¹. China underwent to an “Exported Oriented Industrialization”,¹⁴² since the country was exporting more than importing. This is also a characteristic of modern China. However, this policy introduced the PRC inside the group of the developing countries and provoked an extremely rapid development, recording a double-digit rate of growth which has not precedent in history.

Nevertheless, despite the excellent results achieved, the rapidity of the growth created lots of imbalances. In effect, a part from creating a Chinese middle class, it led to the creation of three different Chinas. The most developed part of the country is the Coastal China, where infrastructures and factories are gathered, while the Central China is the provider of migrant workers for the plants. The less developed part is the Western China, which is also scarcely inhabited. In spite of this, the last zone is extremely important for the “heartland” China, being a source of raw material and constituting the “buffer region”, vital for the security of the rest of the PRC.¹⁴³ However, it is also the fount of the major concerns for the central

¹⁴⁰ Andrew J. Nathan, Robert S. Ross, “*The Great Wall and the Empty Fortress: China’s Search for Security*”, 1997, New York, http://afe.easia.columbia.edu/special/china_1950_forpol_principles.htm, accessed on September 30, 2015.

¹⁴¹ Liu Jianwu, “*What is Socialism with Chinese Characteristics?*”, October 2007, in Hunan University of Science and Technology, Congrès Marx International V.

¹⁴² *Supra n.* 138.

¹⁴³ *Ibidem.*

government. In fact, the two provinces which constituted the region are Tibet and Xinjiang, and both of them are populated by minorities with secessionist claims.

Reforms continued also during the period of the third (Jiang Zemin, 1992-2003) and fourth (Hu Jintao, 2003-2012) generations, responsible of the fostering of the Chinese development. In 2012, after the election of President Xi Jinping and the rise of the fifth generation of leadership, the transition towards China 3.0 was completed.¹⁴⁴

The challenges that emerged were conspicuous and they came both from outside and from inside the country. Externally, since it is an economy export-oriented, the global crisis affected also China, even if its growth just reduced to a 7% rate.¹⁴⁵ Domestically, the imbalances between different regions and social classes were amplified up to having reached almost a breaking point. Also corruption at high level was largely widespread. Thus, when Xi Jinping came to power, he launched an extensive anti-corruption maneuver as a corollary of the institutional reforms. Nevertheless, the major apprehension remains for the increasing demand for energy and the related problems of assuring the access to its sources and securing its routes of transportation.

3.2 Dealing with the MENA countries.

The origins of Sino-MENA relations dated back to the ancient Silk Road, a network of Asian merchants which started to operate in 200 BC and stopped only after the collapse of the Mongol Empire. Since then, their paths diverged until the Establishment of the People's Republic of China in 1949, when the MENA region acquired a new meaning for the Chinese foreign policy. According to the theory expressed by the Chairman Mao Zedong in 1963, "there are two intermediate zones: the first, Asia, Africa and Latin America and the second, Europe"¹⁴⁶ which opposed to the US imperialism. In his vision, called the "Three Worlds Theory" (三个世界的理论 *Sān gè Shìjiè de Lìlùn*), the control of the other zones was necessary for the two superpowers, being preliminary to their direct confrontation¹⁴⁷.

¹⁴⁴ *Supra n.* 139.

¹⁴⁵ Trading Economics, "China GDP annual growth rate", <http://www.tradingeconomics.com/china/gdp-growth-annual>, accessed on September 30, 2015.

¹⁴⁶ Mao Zedong, "There are two Intermediate zones", September 1963, in Wilson Center, <http://digitalarchive.wilsoncenter.org/document/121207>, accessed on September 30, 2015.

¹⁴⁷ *Supra n.* 27.

Moreover, Chairman Mao believed that the preservation of the independence of that part of the world was fundamental for the survival of the Chinese communist regime. He was also convinced that every issue risen in the area was created by the intervention of external actors or by their imperialistic rivalries. This was the foundation of his principle of “non-interference” in other states affairs, which became almost a dogma for the Chinese external behavior. Following his words, “local problems would be settled by the local peoples alone, and that no Middle East problem could be settled thoroughly before outside intervention, which had caused or sustained it, was liquidated”¹⁴⁸. Consequently, China never stopped to sustain colonized states in their struggle against the Western powers, thus supporting also the Arab population in their claims for the right to self-determination.

Nevertheless, its role inside the area was almost marginal for the entire Cold War period, becoming more proactive only after the overture of the Chinese market to the external world. The first country in the MENA region to recognize the People’s Republic of China was Israel on January 9, 1950. But China immediately expressed in favor of the Palestinian people right of returning in their territories, hence establishing regular diplomatic relations with Israel only in 1992¹⁴⁹. Currently, their collaboration is prosperous, focusing upon the trade of arms and technology. Besides, China managed also to construct an excellent partnership with the last nation in the area to recognize its government, namely Saudi Arabia. Nevertheless, the creation and the enforcement of these relations could be possible only after the implementation of the Chinese new foreign policy formulated by Deng Xiaoping.

Since then, the PRC started to be regarded as a more effective example of development than the paradigm offered by the Western countries. Therefore, developing nations started to be attracted by it. Also data confirmed this perception. In fact, as affirmed by Robert Sutter, professor of international affairs at the George Washington University, “from 1979 to 2007, the average annual growth rate of China’s gross domestic product (GDP) was over 9.8 percent. The Chinese economy in 2007 was nearly fourteen times larger than it was in 1979, and per capita GDP was more than ten times larger”¹⁵⁰. This way, the Chinese economic growth took away from poverty millions of people, transforming a basically rural society in an industrialized one in a very short period of time. An outcome which has not precedent in the whole world history.

¹⁴⁸ *Ibidem*.

¹⁴⁹ Pan Guang, “China and Israel: 50 Years of Bilateral Relations, 1948-98”, March 1999, “*The Asia and Pacific RIM Institute of the American Jewish Committee*”, New York.

¹⁵⁰ *Supra n. 27*.

Moreover, once enhanced its internal situation, China moved global. Its first targets were nations with great energy sources, the best choice in order to coordinate its external expansion with a larger enhancement of the domestic economy. In this respect, MENA countries were the best option. And also for these states the PRC was the best choice, being an “anti-imperialist” country. China tried to construct ties with almost every state of the area, thus adopting a strategy of neutrality with respect to the ongoing conflicts, such as the Arab-Israeli dispute. In fact, it succeeded in the difficult task of building contacts with Israel, Syria and Iran at the same time.

Then, in 2001, the global balances were shaken by the 9/11 attacks. Therefore, while China entered inside the World Trade Organization (WTO) and its influence was in expansion, the relations between Arab countries and the United States became cooler and cooler. In the same period, the PRC government worked to further attract foreign investors putting into effect a new regulation on visa aimed at loosening controls. The timing was perfect, since the American change of foreign policy pushed Middle Eastern stakeholders to seek new targets for their investments. Finally, the PRC gave the final blow to the predominance of the US inside the region with the “One Belt One Road” strategy issued by the fifth generation of Chinese leader.

3.3 The fifth generation and its plan for the world: Going West while Leaping East.

Xi Jinping was elected at the office of General Secretary of the Communist Party of China on November 15, 2012, after the 18th Central Committee of the CPC. He is considered one of the most successful member of the Crown Prince Party, the generation of politicians which descends from prominent communist officials active during the revolution. His appointment marked a crucial moment inside the history of the PRC. In effect, when he assumed the office, he imprinted new traits to the PRC foreign policy, earning him the epithet of “the most powerful Chinese leader since Deng Xiaoping”.¹⁵¹

Without the prejudice of the basic principles of “peaceful coexistence” and “non-intervention in other states affairs”, he moved in favor of a more proactive role of China inside the

¹⁵¹ The Economist, “*Xi Jinping has made himself the most powerful leader since Deng Xiaoping*”, November 16, 2013, in *The Economist*, <http://www.economist.com/news/leaders/21589882-xi-jinping-has-made-himself-most-powerful-leader-deng-xiaoping-probably-good>, accessed on September 30, 2015.

international system while imposing itself as a leader of the military power. Furthermore, he tried to gather the population around the concept of a “Chinese Dream” (中国梦 Zhōngguó mèng), a collective idea in which the individual can pursue his happiness inside the successes of his nation rather than in his life as an unit.¹⁵² In effect, it can be seen more like a “China Dream” than like a “Chinese Dream”.

This is in line with the idea of bring back the PRC to be the center of the world. This concept is probably at the basis of the twofold foreign policy adopted by China: Going West while Leaping East. According to this strategy, the People’s Republic of China is attempting to enhance its connections with its Western neighbors (Central Asia, Africa and Europe) and to foster relations with the Latin America outflanking the US presence inside the South East Asia. At the same time, China is following a domestic policy, called the “Great Western Development Strategy” (西部大开发 Xībù Dàkāifā), which has the task to enrich industrialization also in the less developed parts of the country far from the coastal areas.¹⁵³

This strategy should not be confused with the “Go West” policy, a transcontinental project composed by three major plans: the “Silk Road Economic Belt with Central Asia” (中亚丝绸之路经济之路, Zhongya sichou jingji zhilu), the “Maritime Silk Road with Southeast Asia” (东南海上丝绸之路, Dongnan haishang sichou zhilu), and the “South Asia Economic Corridor” (南亚的经济走廊, Nanya de jingji zoulang). These are the three regional cooperation networks presented by President Xi Jinping as part of the “One belt One Road” project (一带一路, Yídàiyílù) as “tools for mutual benefits and cooperation for win-win” in order to create a “community of destiny”.¹⁵⁴

President Xi Jinping presented the plan in September 2013 during a visit in Kazakhstan, a nation considered crucial inside the “Silk Road Economic Belt” (SREB) project.¹⁵⁵ This is the proper “New Silk Road”, a route which will deploy following almost the pattern of the ancient Road. It will depart from Xi’an, in Shaanxi, the first capital of the Chinese Empire, and it will develop westward, touching Urumqi, in Xinjiang, before leaving China for the

¹⁵² Ryan Mitchell, “Clearing Up Some Misconceptions About Xi Jinping's ‘China Dream’”, August 20, 2015, in *The World Post*, http://www.huffingtonpost.com/ryan-mitchell/clearing-up-some-misconce_b_8012152.html, accessed on September 30, 2015.

¹⁵³ Catherine Gelb, Dennis Chen, “Going West: A Progress Report”, Marc 1, 2004, in *China Business Review*, <http://www.chinabusinessreview.com/going-west-a-progress-report>, accessed on September 30, 2015.

¹⁵⁴ European Council on Foreign Relations, “Special issue”, April 2015, Asia Center.

¹⁵⁵ Xinhuanet, “Xi suggests China, C. Asia build Silk Road economic belt”, September 7, 2013, http://news.xinhuanet.com/english/china/2013-09/07/c_132700695.htm, accessed on September 30, 2015.

Central Asia countries. Thus, it will reach Iran, turning north towards Iraq, Syria and Turkey, and continuing through the Balkans up to reach Venice, in Italy, where it will encounter the seafaring road.¹⁵⁶

The “21st Century Maritime Silk Route Economic Belt” (MSR) will connect China with Africa and Europe. Departing from Quanzhou, in Fujian, it will connect different Chinese ports before crossing the Malacca Strait towards Nairobi, in Kenya, going across the Red Sea and thus connecting with the terrestrial road in Venice.¹⁵⁷ Instead, as for what concern the “South Asia Economic Corridor”, it would link China with Burma, Bangladesh and India.¹⁵⁸

The project is still being processed, but its main idea is to ameliorate commerce and the passage of trade along the chosen roads. The enhancement of links between China, Africa, Central Asia and Europe, beyond the consequently diversification of the economic routes, contributed to make Chinese commerce more complex and secure. Moreover, the same Europe and Middle East countries took their steps towards China “turning East”, namely adopting a new policy more focused on Asia for what concern economics.

In addition, in the end the “Go West” policy meets also with the “Great Western Development Strategy” in the aim of promoting the progress of the most underdeveloped Chinese regions,¹⁵⁹ i.e. Tibet and Xinjiang, also as an attempt to take under control the local separatist forces. The great involvement of Central Asian and Middle Eastern countries is likewise an effort in the direction of diminishing the possibility that neighbors states or Muslim nations support their independence claims. Nevertheless, the implications of this strategy could lead to the rise of new political and security issues. For instance, several countries remain skeptical about the real intentions of the PRC, even if China fervently continues to profess its intention to develop peacefully.

The strategy can be consider another solution which the Chinese government is giving to the “Malacca Dilemma”, namely to its constant concern about the lack of security of its routes of commerce. The problem, already formulated by Hu Jintao in 2003, is considered the

¹⁵⁶ *Supra n.* 138.

¹⁵⁷ *Ibidem.*

¹⁵⁸ *Supra n.* 154.

¹⁵⁹ Markus Taube, “*Getting China’s regions moving*”, May 2002, in OECD Directorate for Financial, Fiscal and Enterprise Affairs, Observer No. 231/232, <http://www.oecd.org/investment/investmentfordevelopment/2089554.pdf>, accessed on September 30, 2015.

“Achille’s heel” of the Chinese foreign policy and regards the Chinese energy procurement.¹⁶⁰ In effect, in the Strait of Malacca, the strip of water between Thailand, Singapore and Indonesia, where pass 25% of the global trade and all the Chinese oil importation from the Middle East, which account for China’s 70% of its imports. Therefore, the rise of the piracy and the American presence in the area endanger the passage of the over 60,000 vessels which transit in the strait every year.¹⁶¹

The answers that China gave to this problem were three: to reduce its dependence from the oil importation also relying more on the domestic production or increasing the efficiency in the use of the energy, to construct alternative routes for its transit, such as terrestrial pipelines, and to build a credible naval force, capable of defending Chinese trade. The New Silk Road and other similar projects were designed exactly to respond to this question. Moreover, the strait is located inside the South China Sea, a zone plenty of raw material and natural resources, but where the PRC has several territorial disputes with the neighbor countries. This new more aggressive Chinese policy also contributed to feed the “Chinese threat theory”, namely the concern about China’s rise that its closest nations have.

To ameliorate its worldwide image and aid the financing of the infrastructures needed for the project, China has also launched the “Asian Infrastructure Investment Bank” (AIIB) project, a platform where 100 billion dollars will be located in order to funding the New Silk Road’s infrastructures. Its plan foresaw the participation of 21 Asian countries, but after the adhesion of the United Kingdom, several European nations joined it, making it a worldwide initiative.¹⁶²

Estimations about the accomplishment of the New Silk Road project foresee its full realization in about 35 years, in 2049, in time for the celebration of the 100th anniversary of the foundation of the People’s Republic of China. It will be an impressive work, with the potentiality of involving 70% of the global population, 75% of the energy reserves and cover 55% of the world GDP.¹⁶³ President Xi Jinping keens to underline that the strategy represents a “new round of opening to the world”¹⁶⁴, while some Western commentators described it as

¹⁶⁰ Ian Storey, “China’s ‘Malacca Dilemma’”, published in China Brief Volume: 6 Issue: 8, in Jamestown Foundation, http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=3943#.VhTO8_ntmko, accessed on September 30, 2015.

¹⁶¹ *Ibidem*.

¹⁶² European Council on Foreign Relations, “‘One Belt, One Road’: China’s Great Leap Outward”, June 2015, in Asia Centre.

¹⁶³ *Ibidem*.

¹⁶⁴ *Ibidem*.

“China’s Marshall Plan”, or a response to the “Rebalancing” strategy.¹⁶⁵ However, it is very different from the American post-war plan. In fact, it is based on “open cooperation” and it does not impose political condition. Instead, it is a criticism to the US as a traditional power since it is stressed the fact of being an unconditional plan for China’s neighbor countries separated from the state of their actual relations with the PRC. Moreover, the Chinese government emphasize that the strategy matches perfectly with “China’s peaceful rise” in the attempt to reassure South East Asia countries of being a “new type of rising power”, which has not revisionist intentions.¹⁶⁶

The same intent was detectable also during the military parade held on September 3, 2015, when President Xi Jinping announced the cut of 300,000 men inside the army, highlighting that “China will never seek hegemony or expansion. It will never inflict its past suffering on any other nation. China will remain committed to peaceful development.”¹⁶⁷ However, the project has also put an end to the Chinese principle of maintaining a low-profile diplomacy.

Moreover, some challenges can arise in order to weaker the OBOR project. Both Russia and India, for instance, are promoting other networks for cooperation with some countries already interested by the Chinese strategy: the Eurasian Economic Union (EEU) and the “Mausam project”. Moreover, the instability of several countries along the route has already been proved, increasing uncertainties around the project feasibility. Finally, also Non-Traditional challenges, likewise the notorious “three evils” (terrorism, separatism and religious extremism) and piracy, are encouraging China to strengthen its navy especially for defensive purposes.

As for what concern the “Leap East” strategy, it covers Chinese ties with the Latin America countries. It can be considered as a tentative to bypass the US, its Seventh fleet of the Navy, and its allies inside South East Asia, like Japan, South Korea and Philippines, in order to deal directly with the nations on the other shore of the Pacific Ocean.¹⁶⁸ The strategy was confirmed by two important visits of President Xi Jinping in Latin America occurred in June 2013 and July 2014. This policy has a high geostrategic importance, China is operating in the American traditional sphere of influence, where the most likely result will be the overthrow of the European countries from being the second largest trading partners of the region. Moreover,

¹⁶⁵ *Supra n.* 162.

¹⁶⁶ *Ibidem.*

¹⁶⁷ Katie Hunt, Steven Jiang, Will Ripley, “*China flexes muscles with World War II military extravaganza*”, September 3, 2015, <http://edition.cnn.com/2015/09/02/asia/china-world-war-ii-military-parade/>, accessed on September 3, 2015.

¹⁶⁸ *Supra n.* 138.

it is important as an example of a new Chinese diplomacy more practical and flexible, since several South American nations continue to have relations also with Taiwan.

The Leap became necessary not only for the American “Rebalancing” strategy in the area, but also for the aggravation of the relations with Japan and the worsening of the contacts with North Korea. In effect, while China is improving its relationship with South Korea, President Xi Jinping never meet with Kim Jong-un.

The two core goals of Chinese foreign policy are the “economic boost” and the “internal stability”, which represent China’s national interest. Both of them are achievable through the foreign trade. The PRC domestic problems are basically its overpopulation and the scarcity of resources, two issues closely linked. Modern China is involved in a global competition based exclusively on economics, called “soft control”, in which it aims to expand its trade and investments¹⁶⁹, trying to reshape the world economic order starting from its own internal order.

The New Silk Road project is pivotal inside the current Chinese foreign policy. Moreover, the Middle Eastern and African countries occupy a fundamental role inside the strategy, being both the sources of raw material and the favorite target of the Chinese investments. A first step for the implementation of the plan was taken with an accord between China and the Pakistani government which aims to construct an economic corridor between them. As part of the Greater Middle Eastern, the case of this deal with the Islamic Republic of Pakistan is an important case-study, useful to understand the new course of action of the Chinese diplomacy and to have a practical example of its application in the Chinese international relations.

3.4 The China-Pakistan Economic corridor: the first application of the “Go West” strategy.

The Islamic Republic of Pakistan has been a crucial ally for the People’s Republic of China since the beginning of the Cold War. In fact, it has played a major role inside the Chinese foreign policy in Central Asia as an anti-Russian and Anti-Indian presence in the area. Its function lingered also in the modern history, which is marked by conflicts with India and political instability, especially after the war conducted in Afghanistan by the United States.

¹⁶⁹ *Supra n. 5*

Pakistan gained a new crucial role inside the Chinese foreign policy since the Indian subcontinent became a strategic objective inside its regional diplomacy. As a proof of that, India and US started to talk about the “String of Pearls” Chinese strategy, according to which the PRC is developing a series of military and commercial infrastructures inside the Indian Ocean in order to expanding its influence.¹⁷⁰

Although the Chinese moves are mainly aimed at securing the passage of its imports of raw material, its massive involvement in the area is creating in India a security dilemma, designing another potential zone of conflict next to the already tense South China Sea. The strengthening of its relations with Pakistan, the historical enemy, is a further basis for the Indian distrust against China.

These suspicions about the Chinese behavior led to the formulation of the “Mausam project”, an initiative launched by the Indian President Narendra Damodardas Modi, which aims to increase ties with the same countries involved in the first part of the Maritime Silk Road project. The strategy aims to “revive [India’s] ancient maritime routes and cultural linkages with countries in the region”,¹⁷¹ but it is largely seen as a direct response to the OBOR project.

This interpretation is substantiated by the fact that the overland Silk Road will start exactly with the creation of the China-Pakistan Economic Corridor (CPEC), which will become the first application of the “Go West” strategy. The agreement was signed on April 2015 in Islamabad during an official visit of President Xi Jinping, which was his first oversea trip of 2015. It foresaw an amount of over 46 billion dollars of Chinese investments distributed between more than 51 projects.¹⁷² In addition, in August were added 20 more agreements, increasing the amount of financing of 1.6 billion dollars.¹⁷³

China has now become the most important partner for Pakistan. In fact, the PRC considers the CPEC the “grand opening move on the chessboard”¹⁷⁴ of the One Belt One Road initiative.

¹⁷⁰ Asahy Abbhi, “*String of Pearls: India and the Geopolitics of Chinese Foreign Policy*”, July 26, 2015, <http://www.e-ir.info/2015/07/26/string-of-pearls-india-and-the-geopolitics-of-chinese-foreign-policy/>, accessed on September 30, 2015.

¹⁷¹ *Supra n.* 162.

¹⁷² Ankit Panda, “*Xi Jinping on Pakistan: ‘I Feel As If I Am Going to Visit the Home of My Own Brother’*”, April 20, 2015, in *The Diplomat*, <http://thediplomat.com/2015/04/xi-jinping-on-pakistan-i-feel-as-if-i-am-going-to-visit-the-home-of-my-own-brother/>, accessed on September 30, 2015.

¹⁷³ K. J. M. Varma, “*China, Pakistan Sign Deals Worth USD 1.6 Billion to Beef Up CPEC*”, August 12, 2015, <http://www.outlookindia.com/news/article/china-pakistan-sign-deals-worth-usd-16-billion-to-beef-up-cpec/909764>, accessed on September 30, 2015.

¹⁷⁴ M K Bhadrakumar, “*Ten lodestars from Xi’s Pakistan visit*”, April 22, 2015, In *Indian Punchline*, <http://blogs.rediff.com/mkbhadrakumar/2015/04/22/ten-lodestars-from-xis-pakistan-visit/>, accessed on September 30, 2015.

This is the reason why President Xi Jinping underlined the importance of China-Pakistan relations affirming that “China considers Pakistan as its ‘Iron Brother’.”¹⁷⁵

Moreover, describing the creation of the Corridor, President Xi Jinping declared that “we need to form a ‘1+4’ cooperation structure with the CPEC at the center and the Gwadar Port, transport infrastructure, energy and industrial cooperation being the four key areas to achieve a win-win result and common development”.¹⁷⁶ On the Pakistan’s side, Ahsan Iqbal Chaudhary, the Minister of Planning, National Reforms, and Development, intervened saying that “the real opportunity of this China-Pakistan economic corridor is that it changes the scope of the relationship from geopolitics to geoeconomics”.¹⁷⁷

Practically, the Corridor will depart from the Gwadar port, where the Chinese navy is anchored, and it will arrive in Kashgar, in Xinjiang, covering a distance of 3,000 km.¹⁷⁸ It envisages the construction of several infrastructures, namely highways, pipelines and railways, beyond the building of a port and an airport. The development of these projects is expected to last 15 years and it will be also accompanied by the selling of eight submarines, a transaction which will double the Pakistani fleet.¹⁷⁹

The construction of the CPEC will be promoted by the founding of the AIIB, which recorded its first financing folder for the building of the huge Karot hydroelectric project near Islamabad. At the head of the plan there is the China Three Gorges South Asia Investment Limited company, a newly established enterprise, while the remaining funds will be shared by other Chinese banks, namely the Export Import Bank of China, the China Development Bank and the Agricultural Development Bank.¹⁸⁰

This result is an evidence of the importance that the partnership holds for both countries although their marked differences. In effect, if Pakistan claims to be the leader of the Islamic world, China is an atheist country accused of violation of the rights of its Muslim minority.

¹⁷⁵ *Supra n.* 172.

¹⁷⁶ Xinhua, “*Spotlight: Xi’s fruitful visit leads China, Pakistan to closer community of common destiny*”, April 22, 2015, http://news.xinhuanet.com/english/2015-04/22/c_134171477.htm, accessed on September 30, 2015.

¹⁷⁷ Jon Boone, “*China president arrives in Pakistan to sign £30bn ‘land corridor’ agreement*”, April 20, 2015, in *The Guardian*, <http://www.theguardian.com/world/2015/apr/20/china-president-xi-jinping-pakistan-land-corridor-agreement>, accessed on September 30, 2015.

¹⁷⁸ AFP, “*Security fears for China-Pakistan corridor as Xi ends visit*”, April 21, 2015, <http://www.dawn.com/news/1177314>, accessed on September 30, 2015.

¹⁷⁹ BloombergBusiness, “*China’s Xi Pours Money Into Pakistan, His ‘All-Weather’ Friend*”, April 20, 2015, <http://www.bloomberg.com/news/articles/2015-04-19/china-pakistan-to-sign-28-billion-in-projects-during-xi-visit-i8orbgig>, accessed on September 30, 2015.

¹⁸⁰ Elizabeth Ingram, “*Karot in Pakistan to be first hydropower project financed by China’s Silk Road Fund*”, April 30, 2015, <http://www.hydroworld.com/articles/2015/04/karot-in-pakistan-to-be-first-hydropower-project-financed-by-china-s-silk-road-fund.html>, accessed on September 30, 2015.

However, Islamabad considers Beijing its strongest ally in the struggle against India and in counterbalancing the American hegemony, while the PRC is attracted by Pakistan's strategic location, which allows it to access to new markets, to fortify its influence inside the region and to enhance its own security with regards to the Xinjiang province. Furthermore, the collaboration with China will boost the Pakistani economy and will give an important answer to its enduring energy crisis.

M. K. Bhadrakumar, the former Indian ambassador in Pakistan, analyzed the visit of President Xi Jinping inside an article published on the *Indian Punchline*, identifying ten results that were achieved: 1) the transformation of the China-Pakistan relations. In fact, the enormous amount of Chinese investments will lead to a "win-win" situation with the estimation of a Pakistani GDP growth of 15% and the diminution of the problems deriving from the "Malacca Dilemma" for China; 2) the Chinese demonstrated to have faith in the future of Pakistan, contrary to the global tendency which saw it as a "failing state" and as the partner of terroristic groups; 3) the Chinese surpass of the US as Pakistan's principal ally; 4) the narrowing of the gap that Pakistan had with India thanks to the Chinese sponsorship; 5) the reinforcement of the shift occurred inside the Pakistani strategic orientation, where the traditionally western-oriented elite is realigning with the anti-American public opinion; 6) the evidence of a beneficial effect on the Afghani stabilization process of the China-Pakistan enhanced cooperation. In effect, China could represents a more reliable actor than the US inside the Afghan peace talks since it has a different rapport with the other stakeholders (Russia, Iran, Central Asia and India) and it is interested in stabilizing an area of pivotal importance for its OBOR project; 7) the deployment of the Chinese navy inside the Gwadar port; 8) the realization by the countries of South East Asia that the Chinese strategy is an excellent opportunity for their capitals; 9) the occurring of a "strategic realignment" inside the power dynamic of the region fosters by the freezing of the US-Russia relations and the developing of the "Rebalancing" strategy; 10) China is creating to India an "existential dilemma" leaving to President Modi the choice if gathering the OBOR initiative.¹⁸¹

Moreover, Mister Bhadrakumar examined the relation of the China-Pakistan cooperation with the adjacent countries, noticed that: "a) Russia is warming up to Pakistan and establishing military ties with that country; b) China and Russia are both energetically boosting their respective strategic ties with Iran; c) Iran is about shirk off the sanctions; d) Pakistan is

¹⁸¹ *Supra n.* 174.

mending its ties with Iran; and, e) Both Iran and Pakistan are likely to be inducted as members of the Shanghai Cooperation Organization”.¹⁸²

In effect, Iran will be largely influenced by the CPEC since the PRC inserted with this project inside the former Iran-Pakistan-India pipeline, transforming it into the Iran-Pakistan-China pipeline. China substituted India when it abandoned the plan due to its concerns about the security of the channel inside the Pakistani territory, gaining the access to Iranian natural gas and to other resources from the Middle East.¹⁸³

The central work of the CPEC is the Gwadar port, which has a geostrategic significance: it is located at 380 km from the Strait of Hormuz, the only sea passage to the ocean from the Persian Gulf, being also close to the Iranian border. Furthermore, in allocating there 1.2 billion dollars of financings, China was investing also in the creation of a possible solution of the “Malacca Dilemma” and of an outpost of its military presence inside the Indian Ocean.¹⁸⁴

Furthermore, it can be considered an additional evidence of the ongoing “String of Pearls” theory. As for what concern Pakistan, the Gwadar port represents an alternative to the Karachi port, where 90% of its seaborne trade passes, which is threatened by a possible Indian blockage. In addition, the PRC demonstrated to be capable of fostering the Pakistani economy, an element that is putting to the test the current Indian foreign policy, which set the US-India axis clearly to counterbalance the China-Pakistan partnership.

Nevertheless, there are some issue that the two countries have to handle in carrying forward the project. The first and most troubling is terrorism. In fact, the Gwadar port is settled inside the Balochistan region, a zone in which some secessionist groups are executing terroristic actions in order to claim their independence from Pakistan. The region is largely considered unsecure and unstable by the international community also because is suspected to host jihadist camps as well. Finally, those groups were seen training also some terroristic groups from the Uyghur minority from the close Xinjiang region.

These circumstances distressed Beijing, especially since some Chinese engineers already fallen victims of the Balochistan Liberation Army during their work on the planning of the

¹⁸² *Supra n. 174.*

¹⁸³ *Supra n. 170.*

¹⁸⁴ *See also UKessay, “China string of pearls policy”, <http://www.ukessays.com/dissertation/examples/international-relations/china-string-of-pearls-policy.php>, accessed on September 30, 2015.*

port.¹⁸⁵ Therefore, when President Xi Jinping went to Islamabad to sign the China-Pakistan Strategic Partnership, he turned to the Pakistani Prime Minister, Mian Muhammad Nawaz Sharif, and to the heads of the Pakistan's military underlining the importance of the coordination of the two countries both in the economic field and in the granting of the security of their territories. In response to this statement, the government pledged to guarantee a special military escort to Chinese workers.¹⁸⁶

Another issue rises from the same history of the China-Pakistan partnership. In effect, as pointed out by Andrew Small, an expert of the Chinese foreign policy, in his book *The China-Pakistan Axis: Asia's New Geopolitics*, usually their collaborations end in disappointment or lead to the creation of white elephants.¹⁸⁷

Finally, the partnership uncovered completely the loss of influence within Pakistan of the United States. In fact, its public opinion largely distrust the US, as proved by the opinion polls which ranked the United States among the least loved nation by the population. A result in contrast with the American efforts, like the payment of 1.5 billion dollars per years in development assistance during the period 2010-2014 authorized with the "Kerry-Lugar-Berman" act. In the end, the Chinese influence overtook the American power within Pakistan.¹⁸⁸

However, the strong interest that the PRC is demonstrating towards Pakistan is a deviation from its common pattern for international relations. This is especially true considering that terroristic groups from Xinjiang are seriously menacing the integrity of the Chinese territory, while the Pakistani government has not formulated a significant policy for dealing with its internal terrorism. Bearing in mind that these separatist elements came into contact with some violent individuals from the Uyghur minority, the President Xi Jinping decision to deeper the China-Pakistan collaboration is a major change in the Chinese foreign policy.

In fact, this move revealed that, despite maintaining the struggle against terrorism a core national interest, President Xi Jinping decided to apply a realistic strategy recognizing the importance of these agreements for the full implementation of the New Silk Road initiative. Moreover, Pakistan's strategic location allows the PRC to increase also its exchanges with the

¹⁸⁵ Salman Masood, "Xi Jinping Plans to Fund Pakistan", April 21, 2015, in *The New York Times*, http://www.nytimes.com/2015/04/22/world/asia/xi-jinping-plans-to-fund-pakistan.html?_r=0, accessed on September 30, 2015.

¹⁸⁶ *Supra n.* 178.

¹⁸⁷ See also Andrew Small, *"The China-Pakistan Axis: Asia's New Geopolitics"*, 2015, Oxford University Press.

¹⁸⁸ Laurie Ure, "Kerry, Lugar defend Pakistan aid", May 5, 2011, in *CNN*, <http://edition.cnn.com/2011/POLITICS/05/05/kerry.lugar.pakistan/>, accessed on September 30, 2015.

Middle Eastern and North African regions. Nevertheless, at present China is demonstrating that its contacts with those states is going far beyond their mere supply of raw material, covering also other field of their economy and the diplomatic dimension.

3.5 China-MENA relations beyond petroleum and the proliferation of new international forums.

As the US Energy Information Administration rightly predicted in its last report, “China is the world's second-largest consumer of oil and projected to move from second largest net importer of oil to the largest in 2014”¹⁸⁹. In effect, petroleum is an important component of the Chinese economic development. This is the reason why its first steps towards the MENA area were taken with the task of buying raw material.

Moreover, the PRC started to move towards the importation of oil when its internal reserves still satisfied the domestic demand. It turned out to be a provident move, since its domestic production is no longer appropriate to its needs. According to the Oil & Gas Journal (OGJ), in 2014 China held 24.4 billion barrels of oil reserves, representing the fourth largest producer in the world. The Chinese petroleum production rose by 54% in two decades, but it is unbelievably insufficient for its own consumption¹⁹⁰.

Nowadays, oil stand for 12% of Chinese total imports¹⁹¹. In order to understand the proportion of the exponential growth of its oil imports, it can be noticed that the country started to import oil for an amount of 664 million dollars in 1980, becoming a net importer of oil in 1993¹⁹², up to reach 235.75 billion dollars in 2011¹⁹³.

Oman was the first Arab country to trade oil with China in 1983¹⁹⁴. In fact, Middle Eastern countries are its major suppliers, as demonstrated by the participation of the China National Oil Companies (NOCs) in oil and gas projects in Kuwait, Oman, Qatar, Syria, UAE and

¹⁸⁹ *Supra n. 34.*

¹⁹⁰ *Ibidem.*

¹⁹¹ <http://www.tradingeconomics.com/china/imports>, accessed on September 30, 2015.

¹⁹² *Supra n. 76.*

¹⁹³ *Supra n. 15.*

¹⁹⁴ *Supra n. 27.*

Yemen¹⁹⁵. As for African countries, they are increasing their contribution in the field, especially thanks to Angola.

However, not all that glitters is gold. The South-East shores of the Mediterranean Sea are continuously shaken by tensions and conflicts, thus reducing the security of the region. As a consequence, China, which is alarmed by the instability of the area, adopted a policy of differentiation of its economic partners. This happened, for instance, in 2012, when China decided to reduce its importations of petroleum from Iran, its third largest source of oil imports, by 20%¹⁹⁶. Concerns arose especially after the Iraqi war, which turned it into a failed state leaving room for its “conquest” by the ISIL.

Nevertheless, apart from these matters, China-MENA relations continue to be feed by the massive Chinese appetite for energy and by the great demand of these states for Chinese commodities. Chinese domestic production of oil continued to be insufficient for its own consumption, forcing the PRC to increase its total imports up to reach their peak in 2013¹⁹⁷. At the same time, local governments are importing from China technologies and machineries for developing their economies, matching its necessity of finding new markets where allocating its surplus.

This is a major difference with the American foreign policy, which instead is trying to increase its energy-independency with the help of its domestic deposits and of alternative tools of oil and gas exploitation.¹⁹⁸ As a consequence, it is also seeking to decrease its economic involvement inside the MENA area. The same objective is pursued by the European Union. In order to achieve this goal, the EU is increasing its imports of natural gas. In fact, data shows that, while its oil importation from the region slightly decreased during the period 2005-2011 from 21.59% to 19.47%, gas imports increased from 38.40% to 43.43%.¹⁹⁹

However, apart from the same aspiration of saving their investments from the instability of the region, the two parties watch their involvement in the area from different perspectives. In fact, if China perceives its economic interest as the primary source of its foreign policy, for

¹⁹⁵ Anant Mishra, “*Strengthening and Expanding Arab Economies*”, November 10, 2014, <http://www.businessdigestmagazine.org/index.php/corporate/item/486-strengthening-and-expanding-arab-economies>, accessed on May 20, 2015.

¹⁹⁶ *Supra n. 34.*

¹⁹⁷ *Ibidem.*

¹⁹⁸ Damien Ma, “*Dependence on Middle Eastern Oil: Now It's China's Problem, Too*”, July 19, 2012, in *The Atlantic*, <http://www.theatlantic.com/international/archive/2012/07/dependence-on-middle-eastern-oil-now-its-chinas-problem-too/259947/>, accessed on May 19, 2015.

¹⁹⁹ *Supra n.15.*

the Western countries international questions are the first point in their agenda, linked to their major purpose of safeguarding their national security. They are more concerned about terrorism and the proliferation of Weapon of Mass Destruction (WMD) than about finding a way for dealing with those states for their raw material. Consequently, their combined departure from MENA economies easier the path for a larger Chinese economic involvement.

As a result, currently Chinese crude oil imports from Middle Eastern countries account for 45% of the total oil importation. Besides, it is expected to increase up to 70% by 2020²⁰⁰. Nevertheless, China-MENA relations developed in a short time, now covering multiple sectors of the economy. If we consider Israel, for example, their commerce implies above all the sale of modern weapons. Moreover, China exports its arms, its consumer goods and its services to Iran, Libya, Saudi Arabia and Syria. As a matter of fact, the PRC has surpassed the US as the major exporter towards the region in 2010.

Cultural relations between them are also improving, as demonstrated by the increase in the number of scholarships made available for African and Middle Eastern students who intend to study in China. In addition, even if China-MENA relations continue to be mainly focused in the trade of energy in exchange of cheap commodities, nowadays they include also “two-way investment, infrastructure construction, information technology, pharmaceuticals, textiles, culture, and tourism”²⁰¹.

The official line of the Chinese government links its commitment in the region to the “Three Worlds Theory” articulated by Chairman Mao, remaining loyal to the principle of the collaboration between exploited countries in order to combat the dominance of the superpowers and their allies. In reality, Chinese diplomacy and military are subordinates to the achievement of economic objectives. As a clear consequence, the PRC usage of “soft military presence” in the area is aimed to the protection of its investments and its migrant workers, as proved by the operation of evacuation operated by China towards its citizens who lived in Libya in 2011²⁰².

However, Chinese armed forces presence in MENA is limited to “soft military presence”, namely the temporary deployment of the army for targeted missions. Therefore, America still remains the country with the biggest presence of military forces in the area, following an

²⁰⁰ *Supra n. 27.*

²⁰¹ *Ibidem.*

²⁰² Royston Chan and Tom Miles, “*Libya evacuation: China evacuates 12,000 nationals via naval frigate*”, February 25, 2011, <http://www.csmonitor.com/World/Latest-News-Wires/2011/0225/Libya-evacuation-China-evacuates-12-000-nationals-via-naval-frigate>, accessed on May 20, 2015.

“hard military strategy” with semi-permanent bases or exercising the right to conduct specific military activities in those countries²⁰³.

Instead, China is much stronger from the economic point of view. In fact, according to the annual report on China-GCC Cooperation, the volume of the bilateral trade between the PRC and the Arab countries in 2012 reached the record amount of 222.4 billion dollars, 14% higher than its value in 2011²⁰⁴. Furthermore, Chinese commitment is now experiencing a major shift in its nature: it is evolving from being labor intensive towards being capital and technology intensive.

In the report, the major obstacles that Chinese investments had to face inside the GCC economies are represented by restrictions in the access to markets and by the absence of transparency. Moreover, several governments limit also the percentage of foreign share inside national titles and the presence of external companies and factories on their territories. As what concern the Gulf nations, their main problem in dealing with China is the lack of competitiveness of their domestic markets of goods and services²⁰⁵.

Nonetheless, both China and MENA countries are working hard to boost every aspect of their collaboration, as demonstrated by the establishment of several forums and councils between them. It is the case, for instance, of the aforementioned Chinese-GCC Forum on Economic and Trade Cooperation, an association established in 2003 between China and the six countries being part of the Gulf Cooperation Council (GCC), i.e. Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE. Its declared task was to create a Free Trade Agreement between the two sides in order to broaden their collaboration in numerous fields, such as transportation, communication and scientific and technologic research²⁰⁶. The resulting Free Trade Zones was established in Riyadh in 2009 and in Abu Dhabi in 2012²⁰⁷.

Another important council was established in 2004 with the founding of the Sino-Arab Cooperation Forum (SACF). During its opening ceremony, the Chinese Minister of Foreign Affairs Li Zhaoxing listed the objectives that the assembly aims to achieve, clarifying their various nature: “First, maintaining mutual respect, equitable treatment and sincere cooperation on the political front. Second, promoting economic and trade ties through

²⁰³ *Supra n. 5*

²⁰⁴ China-Arab States Expo, Progress of China-Arab Trade and Economic Relations, “*Toward an integrated China-GCC Cooperation*”, Annual Report 2013.

²⁰⁵ *Supra n. 38*.

²⁰⁶ China FTA Network, “*China and GCC Co-sponsored in Riyadh FTA Talk*”, June 30, 2009, http://fta.mofcom.gov.cn/enarticle/engcc/engccnews/200911/1521_1.html, accessed on May 21, 2015.

²⁰⁷ *Supra n. 27*.

cooperation in investment, trade, contracted projects, labor service, energy, transportation, telecommunications, agriculture, environmental protection and information. Third, expanding cultural exchanges. Finally, conducting personnel training"²⁰⁸.

Worthy of mention are also some private initiatives. Among them, stands out the Arab Chamber of Commerce and Industry (ARABCCI or ArabCham), established in Hong Kong in 2006. This institute is a business advocacy society formed by expert of the Islamic law which aim to promote commerce between Hong Kong, China and Arab countries. It is the first chamber to have created an equity index, namely the Hong Kong Islamic Index (HKII)²⁰⁹, which measures the Sharia compatibility of banking and financial services. Similar associations are the Arab Business Club, China branch, which aim to encourage bilateral commercial relations²¹⁰, and the Kuwait-China Investment Company (KCIC), established in 2005 as “the first Asia focused investment company in the Arab world”²¹¹.

However, bilateral relations still remains the cornerstone of the Chinese involvement in the MENA region. In fact, it created a dense network of connections with the states of the area, increasing both its exportations and its foreign direct investments. The sectors concerned are construction, engineering, telecommunications, automobile and the trade of cement, minerals and aluminum. Besides, it is progressing also in the field of public works.

Moreover, China is also moving to improve its international image. The principal strategy in this regard is its current “external propaganda”, in which it is using the power of media to show to the world a positive façade of the PRC. In the same direction is oriented also the forgiving of 80% of the Iraqi debt of 8.5 billion dollars in 2010 and the signing with this country of several trade contracts in the sectors of heavy industry, tourism and transportation²¹².

A key role within the Chinese strategy in the area is played by Egypt, a state which possesses both a strategic location and a numerous population. In fact, beyond having the control of the Suez Canal, it is the connector between North Africa and Middle East. Besides, it ensures to the PRC a huge market in which to allocate its enormous surplus. Moreover, the creation of a

²⁰⁸ Xinhua News Agency, “*1st Sino-Arab Cooperation Forum Ministerial Meeting Held*”, September 15, 2004, www.china.org.cn/english/2004/Sep/107188.htm, accessed on May 20, 2015.

²⁰⁹ <http://www.arabcci.org/home.htm>, accessed on September 30, 2015.

²¹⁰ <http://www.arabbusinessclub.com/>, accessed on September 30, 2015.

²¹¹ <http://www.kcic-asia.com/en/index.jsp>, accessed on September 30, 2015.

²¹² *Supra n. 15*.

partnership with the former President Mohamed Morsi permitted to Chinese exports to surpass the US exportation inside the country²¹³.

Regarding the Peninsula Gulf, another example of the Chinese advance in the region is given by China-UAE relations. Also in this case, despite the fact that there are still centered on trade, they have recently expanded towards the military, political and cultural fields. An important point of connection is the resemblance of the two countries' history. In effect, similarly to China, the AUE experienced a miraculous growth in the last decades, such as to lead to the conversion of part of the desert into cities, oil fields and shopping malls²¹⁴.

Moreover, the AUE has become the second Arab partner for the PRC and the community of Chinese migrants settled in Dubai accounts by now for almost 300,000 expatriates. The value of their commerce rose from 2,825 million dollars to 25,600 million dollars during the 2001-2010 decade. As for Chinese exportation, they consist in electronics, chemicals, high-tech equipment and foodstuffs, while the UAE exports oil, natural gas, commodities and services²¹⁵.

A general enhancement of the Chinese diplomatic relations in the area is also testified by the appointment of a permanent delegate to the Middle East in 2002 and by the creation of the office of Special Envoy to Syria in 2012²¹⁶. Nevertheless, the major signal of the willingness to deeper these ties is represented by the formulation of the New Silk Road initiative.

In fact, with this project, China demonstrated the desire to adjust or establish new infrastructures in the interested states. A type of involvement that is extremely positive for regions which are poor or subjected to international sanctions. Furthermore, this policy is also resulting in a plan of incentives for national companies implemented by the Chinese government in order to stimulate their investments overseas, greatly advantaging several MENA nations.

Nevertheless, the Chinese government has plans also regarding the richest countries of the area. In these regards, President Xi Jinping wrote a keynote on June 2014 addressing the sixth ministerial conference of the China-Arab States Cooperation Forum (CASCF), an apparatus created in 2004 to foster the bilateral cooperation between China and the Arab countries, where he explained his "1+2+3 strategy", which defined his wished goals for the council.

²¹³ *Supra n. 15.*

²¹⁴ *Supra n. 27.*

²¹⁵ *Ibidem.*

²¹⁶ *Ibidem.*

Within this policy, one stays for “energy cooperation”, two for “improving trade and investments”, and three for enhancing of cooperation in “new sectors including nuclear energy, aerospace technology and new energy”. Finally, he concluded the note revealing that “China plans to increase its bilateral trade volume from last year’s 240 billion US dollars to 600 billion US dollars, and increase non-financial investment in Arab states from last year’s 10 billion US dollars to 60 billion in 10 years”²¹⁷.

Moreover, according to the latest reports, the PRC is the current first destination of the exports from Iran, Oman, Saudi Arabia and Yemen, while being the second target for the Iraqi and Pakistani economies. Regarding imports, it is the major source for Bahrain, Egypt, Iran, Saudi Arabia, Syria and Yemen, while ranking second in the economies of Iraq, Israel, Jordan, Kuwait, Libya and UAE²¹⁸.

Such positive results are also due to a different Chinese attitude compared to the Western countries’ approach towards the economic partners. The clear reference is to the contrast between the “Beijing Consensus” and the “Washington Consensus”. In the task of substituting America inside the area, the PRC has also a comparative advantage given by its history, being it extraneous to the American and European colonial tradition.

The need of nourishing its growing economy pushes the PRC not only to deal with the nations of such an insecure region, but also to foster their relations beyond the sole importation of raw material. Furthermore, also its “relocation strategy” is putting a challenge to the Western presence in the area, being convenient both for China and the MENA countries.

Nonetheless, several new challenges arose within the area in the last years. Starting from the subsequent worsening of China-US relations, and passing through the strengthening of China-Russia relations, the outcomes of the Arab Spring and the establishment of the Islamic State are the major concerns of the international community, as well as one of the main distress for the Chinese task to create stable and profitable liaisons with those countries.

²¹⁷ Yang Chengxi, “China lays out ‘1+2+3’ strategy at CASCF ministerial meeting”, June 6, 2014, <http://english.cntv.cn/2014/06/06/VIDE1402009324468536.shtml>, accessed on May 20, 2015.

²¹⁸ <http://www.indexmundi.com/it>, accessed on September 30, 2015.

CHAPTER 4: NEW CHALLENGES

If China-MENA relations are evolving at an impressive level from year to year, it is also true that both the PRC and those countries have to face different challenges in the effort of further improve their ties. However, since these issue are still in flux, it is very difficult to predict the possible outcomes.

One of the most concerning question at stake is the progressive deterioration of China-US relations. The main cause of the worsening of their affairs is the American “Rebalancing” policy, which focuses on South East Asia, a zone traditionally subjected to the Chinese influence. China is troubled by this new tendency of the US foreign policy, especially since it has the impression of being hemmed by a chain formed by the United States allies. Therefore, the PRC is also moving towards MENA and Latin America in order to re-rebalance the international equilibrium.

The new Chinese approach serves also the needs of the MENA countries. In fact, while China gained a better access to their energy resources and to their huge markets, those states look at the PRC as a more attractive partner than America. This is especially true since the “Chinese Economic Model”, better known as the “Beijing Consensus”, seems to fit more the necessities of developing economies than the “Washington Consensus”.

In effect, this model of development, based upon an authoritarian state deeply involved inside economy, is the demonstration that political changes are not necessary in order to improve the economic situation of a nation. Instead, it reveals that obtaining the economic growth can help to preserve the authoritarian regime, attesting that the union between economic development and political stability can function better than democracy.²¹⁹

The Chinese penetration inside the area is also facilitated by the enormous amount of liquidity for investments at its disposal. But primary by the absence of the principle of conditionality for being able to obtain them, rather a focal point for the application of the “Washington Consensus”.

Moreover, the opposite enhancing of China-Russia relations is another point of friction between the PRC and the US. This is the consequence of the American belief that their quasi-alliance is aimed to review the current international order in their favor. This despite the fact

²¹⁹ *Supra n.* 138.

that China cannot be considered a revisionist power, since the present global order favored its rise.²²⁰

An issue that was not predictable before its outbreak was the Arab Spring. The eruption of this revolutionary wave, its diffusion through all the MENA area, and its final outcomes caught unprepared the international community, and China above all. In fact, during its first stages, the PRC remained stunned and gave a vague and uncertain response to the phenomenon. Moreover, the growth of the instability of the region and the change of some regimes endangered Chinese interests, forcing it to reconsider its strategy.

Finally, the appearing of the ISIL and its establishment of the Islamic State have opened a new scenario of conflict in the heart of Middle East. Furthermore, the danger of infiltration in the neighboring countries is perceived as a major threat, as well as the peril of terrorist attacks operated by terrorist cells or “lone wolves” all around the world is a main concern for the Western countries, but also for China. In effect, it is accused of violating the human rights of the Muslim minority settled in Xinjiang, therefore attracting

Although it is a remote menace, the PRC is aware of the danger. However, it took few moves to combat the IS, a policy which threatens to backfire in the long run. This is the moment in which all the members of the United Nations have to collaborate in order to defeat the peril. China cannot avoid the task, otherwise it may not yet be taken seriously as a new superpower able to act responsibly within the current world order.

4.1 The evolution of US-China relations.

The evolution of US-China relations can be well represented by an episode of the life of Niall Ferguson, an English historian and journalist. He is the inventor of the term “Chimerica”, an expression used to describe the symbiotic relation between China and the United States, according to which Chinese savings created an incredible amount of wellness when they met with the American overspending. However, he changed his mind about this neologism when he went to visit Chongqing, a city in the center of China that became the center of an experiment of combining egalitarian policies with the boosting of domestic consumption. Being “Chimerica” based upon the idea of a completely export-oriented Chinese economy,

²²⁰ *Supra* n. 138.

with the conviction of a quasi-absence of an internal market, in the end he decided to abandon this definition.²²¹

In reality, it is undeniable that China and the US remain bound very strictly to each other, being America the first destination for Chinese exports²²² and being China the owner of the majority of the US Treasury bonds. However, the PRC is now implementing different policies to differentiate its economy and to avoid relying too much on the United States consumptions. Finally, in 2015 China managed to surpass the United States as the largest economy in the world.²²³

These type of results was not even thinkable when Sino-US relations were established in 1970s. In fact, after the Sino-Soviet schism, the PRC was almost completely isolated from international community and was excluded from the United Nations Organization, where its seat was occupied by the Republic of China (Taiwan). Nixon's visit to China in 1972 was a surprising turning point for their diplomatic ties and also for the world balances. From that point onward, the two nations started to build what it is considered to be the "world's most important bilateral relationship of the century",²²⁴.

However, their relations had several ups and downs. In effect, their rapports increased until 1989, when the United States posed some economic sanctions upon the PRC following the bloody conclusion of the Tiananmen manifestations. Their cooperation started to expand again only after 9/11 attacks, when China expressed its solidarity towards America and adhered to the international struggle against terrorism.

Nevertheless, a turning point in their mutual considerations occurred already on April 1996, when the American President Bill Clinton signed the "Japan-U.S. Joint Declaration on Security Alliance for the 21st Century" aiming at endorsing several accords to strengthen their security cooperation. As a consequence, China, which used to regard to the American presence inside South East Asia as a positive element in an anti-Soviet perspective, started to perceive it as a threat.²²⁵

²²¹ *Supra n.* 139.

²²² <https://atlas.media.mit.edu/en/profile/country/chn/>, accessed on September 30, 2015.

²²³ Joseph E. Stiglitz, "The Chinese Century", January 2015, <http://www.vanityfair.com/news/2015/01/china-worlds-largest-economy>, accessed on September 30, 2015.

²²⁴ Nicole Lane, "The future of Relations Between the United States and China", April 30, 2015, <http://www.globalethicsnetwork.org/profiles/blogs/the-future-of-relations-between-the-united-states-and-china>, accessed on May 19, 2015.

²²⁵ Anil Kumar, "New Security Concept of China: An Analysis", May 2012, in *IPCS Special Report*.

Presently, President Obama expressed in favor of the reinforcement of their relations within several public speeches, where he called for a greater coordination of their policy. Nevertheless, he was also the cause of the deterioration of their relationship, being the architect of the “Rebalancing” strategy. In point of fact, this policy led to several misunderstandings and to a high level of mistrust between them.

However, there are few doubts about the sincerity of President Obama’s speeches. This idea is also supported by the talk given by the former Vice-President Hillary Clinton in her first trip abroad in 2009, which was organized in Asia with an important stop in Beijing. In this occasion, she clarified that American pressure for political reforms and for the improving of personal freedoms were not intended to affect their relations, underlining that “other issues must not interfere with addressing the global economic crisis”.²²⁶

Furthermore, she emphasized the necessity of a “deeper” and “broader” partnership between them, claiming that it would be at the benefit of the entire world²²⁷. This despite their economies are already heavily interdependent: Chinese capitals are essential for the American economy, while the huge market of the United States represents a perfect target for allocating Chinese consumer goods. Moreover, their interdependence is regarded as one of the most important factor for the stability of the international system.

Despite this, reciprocal misinterpretations of their behaviors led to the worsening of their dialogue. According to Stefan Halper, professor at the Department of Politics and International Studies at the University of Cambridge, “the Chinese took American proposals for cooperation as weakness. Moreover, Beijing’s more aggressive tone had a profoundly negative effect in Washington”.²²⁸

Moreover, its intense dependence upon Chinese capitals is undermining American international influence. Its reliance on China is especially obvious since the PRC became the first source for the US importation in 2007, being already the third destination country for its exportation since 2005. Therefore, when President Xi Jinping described the modern China-US relationship as a “new type of great power relations”, President Obama seemed reluctant to

²²⁶ *Supra n.* 38.

²²⁷ *Ibidem.*

²²⁸ *Ibidem.*

accept such a definition. Nonetheless, also Beijing still depends to a certain extent from Washington in its attempt to escape “China’s growth trap”.²²⁹

This is one of the major problem that China 3.0 has to face, namely its obligation to maintain the growth rate around 8% in order to preserve the social stability. Taking into account that its current growth rate is 7%, it comes as an obvious consequence its foreign policy directed towards energy-abundant nations. The necessity of overcoming the growth trap is accompanied by the pragmatic attitude that China always maintains in its relations. Therefore, it became evident that its attitude of financing public works, such as schools, hospitals and railways, inside developing states is directed towards the acquisition of their resources, such as oil and natural gas.

The current trend of China-US relations also affects their respective relations with MENA countries. They equally have regional stability and energy security as the main target for their commitment in the region, since they both need MENA markets. This necessity increases their competition, which is already at an high level since the increasing of the Chinese presence in the area and the American strategy towards South East Asia. On the contrary, their collaboration can play a fundamental role in securing the zone. Similarly, the lack of coordination between their actions can lead to a worsening of the current situation.

In reality, at present, they have substantially divergent perspectives. In fact, while the United States accuses China to be a free rider inside the MENA region, Beijing does not agree with the American external conduct. Its policy of intervention in other states internal affairs collides with the Chinese vision of international relations, especially if the intrusion is carried out with military means or with the aim to subvert other governments.

China is mainly concerned about Obama’s strategy of turning East, a policy that threatens the PRC in its proximity. Therefore, the PRC is trying a rebalancing plan on its own, moving towards the MENA region and using the media power to give a completely new and positive image of the nation to the entire world. In fact, another step in the direction of challenging the West and of playing a bigger role in global affairs it is enacted on the media stage. At the same moment in which Western countries were lacking liquidity, and moved towards austerity policies in order to solve their structural crisis, China announced its new and extremely expensive project: the “external propaganda” (外宣工作 wàixuāngōngzuò), the Beijing’s “new global media drive”, an investment of 6.8 billion dollars that had the purpose

²²⁹ *Supra* n. 38.

to show to the world the modern and positive image of China.²³⁰ Being the PRC the new international creditor, it can afford the tentative of spreading its own values and ideas, beyond reassuring its neighbors about its real willing of pursuing the policy of “Peaceful Development”. Moreover, it represents also a further attempt to reduce the American influence, above all in South-East Asia.

In this area the US is also present with the Seventh Fleet, the largest taskforce of its navy. Moreover, the more likely scenarios in which it would be used is in the case of conflict against North Korea and of a conflict between the People’s Republic of China and the Republic of China. more recently, Obama declared that America would enter in action also in case of a Chinese attack on the contested Senkaku/Diaoyu islands.²³¹

Furthermore, it is not a coincidence that the American “Rebalancing” strategy was launched in 2012, the same year when a more proactive leadership took the power in China. As an additional consequence, the PRC responded to this new trend of the American policy with the creation of a “New Security Concept” (NSC), a notion which aim to challenge the US dominance and the current global order still ruled by dynamics of the Cold War.²³²

The proposal of a NSC aspires to the creation of a world characterized by cooperation and collaboration among nations in order to build a balanced and secure multipolar world order. This concept expand the traditional definition of “security” in a way that it includes not only the “high politics”, but also “soft power”. This would lead to the solution of the “security dilemma”, a very common problem during the “power politics” period, that is the continuous arm race in response to strengthening military capabilities of foreign countries. The general framework of this idea is China’s “peaceful development” foreign policy initiative, that is the Chinese effort to appear as a responsible world leader, committed to improve the welfare of its population before intervening in world affairs, and as a supporter of “soft power” politics.²³³

However, this declared commitment in the enhancement of “soft power” politics seems in contrast to what the Chinese military parade showed on September 3, 2015, during the celebration of the 70th anniversary of the victory of the War World II. In addition, before the

²³⁰ *Supra n. 27.*

²³¹ *Supra n. 114.*

²³² *Supra n. 225.*

²³³ *Supra n. 5.*

parade, five Chinese ships were spotted for the first time in the Bering Sea, in front of the Alaskan shores.²³⁴

Moreover, President Xi Jinping spoke critically about the “Rebalancing” strategy, stating that “Matters in Asia ultimately must be taken care of by Asians. Asia's problems ultimately must be resolved by Asians, and Asia's security ultimately must be protected by Asians”.²³⁵ On the other hand, American journalists often criticize Chinese New Silk Road project called it a “Chinese Marshall plan”.

There was even a dispute around the concept of “Chinese Dream”, accused by the American journalist Thomas L. Friedman of being a mere extension of the “American Dream” in his article titled “*China needs its own dream*”. In reality, the term has not an individualistic valence, but a nationalistic significance, even if it has not well defined features, being above all a “contribute to the revitalization of the nation”.²³⁶

Moreover, it is “the dream of a strong nation. And for the military, it is a dream of a strong military”. In effect, there are several signals of an attempt of reinforcement of the military tool inside the PRC strategy. The first indicator was the ninth White Paper of 2014 titled “*China's Military Strategy*”, the thematic authoritative report released every two years by the Chinese government. It was the first time that the document focuses specially on military, indicating a major change inside the managing of the armed force.²³⁷

In this regard, it was meaningful the appointment of the President Xi Jinping also to the position of Chairman of the Central Military Commission and of the leader of the Central Leading Group for Military Reform. Although officially the People's Liberation Army (PLA) maintained is defensive attitude and there was the announcement of a 300,000 men reduction, it is currently undergoing a process of modernization and has experienced an incredible growth of its funds. In point of fact, currently the PRC has the second biggest defense budget after the US.²³⁸

²³⁴ AFP, “*Chinese naval ships spotted off Alaska coast during Obama visit to state*”, September 2, 2015, in *The Guardian*, <http://www.theguardian.com/world/2015/sep/02/chinese-naval-ships-bering-sea-alaska-coast>, accessed on September 30, 2015.

²³⁵ BBC, “*China president speaks out on security ties in Asia*”, May 21, 2015, in *BBC News*, <http://www.bbc.com/news/world-asia-china-27498266>, accessed on September 30, 2015.

²³⁶ Xinhuanet, “*Youth urged to contribute to realization of ‘Chinese dream’*”, May 4, 2013, http://news.xinhuanet.com/english/china/2013-05/04/c_132359537.htm, accessed on September 30, 2015.

²³⁷ The State Council Information Office of the People's Republic of China, “*China's Military Strategy*”, May 2015, <http://eng.mod.gov.cn/Database/WhitePapers/>, accessed on September 30, 2015.

²³⁸ BBC, “*China military parade commemorates WW2 victory over Japan*”, September 3, 2015, in *BBC News*, <http://www.bbc.com/news/world-asia-china-34125418>, accessed on September 30, 2015.

Of great distress for the United States is also the strong rapprochement between the PRC and Russia. The major prove of this is their attempt of integrating their respective projects, namely the New Silk Road initiative and the Eurasian Economic Union (EEU), a regional economic bloc between the Norther countries of the Eurasian continent. Furthermore, they have concluded on August the second jointed military drill between their navy in less than a year.²³⁹

The improving of the navy is another feature of the current government, concerned about the protection of its maritime routes. However, this gradual military reinforcement is concerning both its neighbor countries and the United States, creating a “security dilemma” inside the area. In fact, if it lead the US and the South East Asian states to doubt about the sincerity of its project of “peaceful development”, it feeds also the Chinese “victim complex”.

What America fears the most is the so-called “Thucydides trap”, a theory which affirms the inevitability of a systemic war between a rising power and an established dominant power.²⁴⁰

The priority for China must be to avoid to motivate the US worries about its revisionist rise in order to avoid a possible direct confrontation. The New Silk Road project, aiming at ameliorating and reinforcing its ties with other regional actors will probably result as the best strategy for escaping this trap.

Finally, another ground touched by their competition is the promotion of their respective model of development. On this ground, the “Beijing Consensus” has emerged as a challenger of the “Washington Consensus” and, apparently, has overwhelmed it.

4.2 Beijing Consensus vs Washington Consensus

Differently from the “Beijing Consensus”, Western investments and economic aids are always linked to the fulfillment of different standards, such as the respect of basic human right and the following of austerity policies. These heavy interferences in the internal affairs of the targets are often seen in a negative way. Moreover, sometimes they demonstrated to be useless or to have worsened a situation already compromised. On the contrary, the logic of the

²³⁹ Ankit Panda, “*China and Russia to Hold Military Exercise in the Sea of Japan*”, July 31, 2015, in *The Diplomat*, <http://thediplomat.com/2015/07/china-and-russia-to-hold-military-exercise-in-the-sea-of-japan/>, accessed on September 30, 2015.

²⁴⁰ *Supra* n. 162.

“Beijing Consensus” is to disregard the internal conditions of the partner in order to focus more on the economic perspective. Direct investments and financial actions are at the core of this strategy, which aim more to give new impulse to the economy instead of controlling it.

Nowadays, China is regarded as a new model of development. In fact, it is perceived as a valid alternative to the traditional Western model and also to the global order it has largely contributed to create. As a clear evidence of this current trend, the People’s Bank of China has enlarged to the point that now it is six times the World Bank, and it is committed in financing infrastructures and energy development in Africa, Latin America, Central Asia and the Near East at a very low interest loan.²⁴¹ Therefore, the Chinese challenge to the West is developing also along the path to lowering the relevance of its institutions, above all for the developing part of the world. The PRC’s success in adopting economic reforms without changing its political system gave the proof that democracy is not a precondition for the economic growth. In effect, authoritarianism can actually survive, or even strengthen, if the control over some commercial liberties is loosen. As a matter of fact, the Chinese system seems to manage very successfully the global economic crisis, maintaining “double-digit growth, trade surpluses, huge and growing hard-currency reserves, moderate inflation, a growing middle class, and a generally improving quality of life”.²⁴²

The Chinese standards, the so-called “Beijing Consensus”, are now putting into question the set of criteria established by the US, namely the “Washington Consensus”. This term was used for the first time by John Williamson, an economist, who wanted to summarize the treatment that America imposes to other states as the cure for their situation of widespread poverty and underdevelopment. It is substantially composed by ten points and their related policy recommendations: 1) fiscal discipline, that aims to avoid large deficits; 2) the increase of public spending in health and education to the detriment of subsidies; 3) the reformation of the tax system; 4) the liberalization of the interest rates; 5) the implementation of a competitive exchange rate; 6) the liberalization of trade, especially with the remove of barrier to imports; 7) the removing of obstacles to foreign direct investments; 8) the privatization of state owned companies; 9) the deregulation of markets, namely the elimination of all the

²⁴¹ *Supra n. 38.*

²⁴² *Ibidem.*

regulations that falsify competition or obstruct market's entries; 10) the implementation of a legislation that protects property rights.²⁴³

These standards helped several Western countries to overcome their past economic crisis and to develop at their actual level. However, it has been demonstrated that they are not a miraculous cure, which is suitable for every subjects. In fact, the “Washington Consensus” sometimes failed in obtaining the expected results. Adopted by international organizations, such as the WB and the FMI, as preconditions for their economic aids, there were some cases in which it actually worsened the general situation. The Structural Adjustment Programs (SAPs) were always the same, and spending cuts in the short-term often aggravate the condition of the poorest social layers. Fragile local enterprises were crushed by the foreign competition, inflation rose thanks to the deregulation and corruption increased due to privatization.²⁴⁴

Only some very rich governments managed to avoid the rose of popular discontent by using their own revenues. Ross Garnaut, a very influent economist, calls it the “taxation effect”. He sustains that all the historical revolution, such as the American and the French ones, exploded after that their government raised taxes. Therefore, if the leading class gains enough incomes by its own, it is very unlikely that it will increase taxation, thus lowering the possibilities of upheavals.²⁴⁵ Obviously, this kind of governments is usually at the power in nations that have abundant natural resources, such as the oil producers. Moreover, they have the opportunity of supporting considerable spending programs and of maintaining high level of employment rates, a policy combination which prevents the upsurge of protest movements that could endanger the stability of the system.

Arab Gulf countries are the best example for this kind of policies. Kiren Aziz Chaudhry, a political scientist, clearly states that these strategies are “explicitly designed to depoliticize the population.” This result is easily achievable when job and wealth opportunities are actually reachable for the lower layers, “keeping people happy”.²⁴⁶ It represents also an excellent solution in order to avoid the “resource curse”, the paradox of several natural-abundant countries which, despite their natural richness, have problems such as a poor economic

²⁴³ <http://www.petersoninstitute.org/publications/papers/paper.cfm?ResearchID=488>, accessed on September 30, 2015.

²⁴⁴ *Supra n. 38.*

²⁴⁵ *Ibidem.*

²⁴⁶ *Ibidem.*

growth, instability and the enrichment of merely the higher social strata.²⁴⁷ The same principle of the “taxation effect” can be applied to the “East Asia model”, where to be used inside the internal market are the export revenues. China is the most successful example of this paradigm.²⁴⁸

The PRC is trying to increase its exports’ incomes also enforcing its ties with the underdeveloped world. In these respects, it is granting its support to their governments, besides having already developed a large amount of infrastructure and industrial projects within their territories. This way, the involvement of Chinese companies became vital for the modernization of nations that Western countries had before ignored. Moreover, the PRC effectively demonstrated to them its encouragement canceling their debts.²⁴⁹ This kind of behavior was a further motivation for several regimes to search for the Chinese involvement.

Its “Go out” policy has led to the upsurge of Chinese private or state-owned enterprises, which have directed their foreign direct investments towards the entire globe, also contributing in the spread of the “Beijing Consensus” model. In the attempt to define these standards, John Williamson grouped them into five main points: 1) the increasing of reforms, opposed to the deregulation of financial markets; 2) the research for innovation and experimentation; 3) an export-oriented industrialization, achieved by the exportation of goods in which the state has a comparative advantage; 4) the State capitalism, a system in which economical activities are controlled by the state, while the means of production are organized in a capitalistic way; 5) the authoritarianism as the form of government.²⁵⁰ In addition, the Chinese strategy foresees also subsidies to firms which intend to pursue some projects abroad, this way giving a stimulation also for several works that maybe are not profitable, but that will play in favor of the Chinese long-term global strategy. As Stefan Halper pointed out, nowadays the PRC is preferentially dealing “with countries that have two features in common: they are raw-materials-abundant and they possess large markets”.²⁵¹ However, some of these nations are now sustaining that China is pressing them in order to distance themselves from the US’ policies.

Nevertheless, very often these policies create benefits more for élites than for the local populations, generating some discontents among them. In addition, the Chinese involvement

²⁴⁷ Jeffrey D. Sachs, Andrew M. Warner, “*The curse of natural resources*”, 2001, *European Economic Review*.

²⁴⁸ *Supra n.* 38.

²⁴⁹ *Ibidem*.

²⁵⁰ *Ibidem*.

²⁵¹ *Ibidem*.

in these countries is evolved separately from their internal issues, such as the lack of democracy or the disregard of human rights, like its non-intervention attitude impose. It is very likely that it is also for this reason that the positive vision of the Chinese involvement is not expanding beyond official cadres to the population. Therefore, the PRC's success in this area is better explainable as a failure of the Western model. In fact, during 80s and 90s, the formula "one-size-fits-all" based on the "Washington Consensus", given by the World Bank or the FMI to help suffering economies, failed in its purposes, above all in African and Latin American countries. After those results, the "China effect" appeared therefore more attractive to them. Moreover, China ensured to them a great injection of liquidity without asking for internal reforms.²⁵²

This way, China legitimized the centralism system as a valid alternative to democracy. Having loosened the control above economy and brought wealth to a large part of its population without turning into a democracy, it practically demonstrated that people can accept a very undemocratic sort of bargain: "political oppression in the public square in return for relative economic freedom and a rising quality of life".²⁵³ Therefore, "State capitalism" proposed as another solution for the global crisis. In these respects, Chinese President Hu Jintao developed its "Scientific Development Concept", a theory which seeks the "pursue a scientific outlook on development that makes economic and social development people-oriented, comprehensive, balanced and sustainable".²⁵⁴ The main objective of this model is to seek prosperity for the population under the guidance of the ruling party. In fact, opening the economy to investments, while conserving the authoritarian system, permits an almost complete control over the civil society.

China has understood the strength of "soft power", a concept defined by the political scientist Joseph Nye as obtaining "the outcomes one wants through attraction rather than using the carrots and sticks of payment or coercion".²⁵⁵ United States, instead, point more in having the supremacy in the military field. This is actually a weak point of the American policy, above all because it led several people to develop anti-American feelings. Its disregard of the post-war nation building and its habit of spreading democracy by violent means, as especially showed with the Iraqi War, made a great part of the world changes its attitude towards the US.

²⁵² *Supra n.* 38.

²⁵³ *Ibidem.*

²⁵⁴ Xinhua, "China embraces new scientific development concept: Hu", April 22, 2006, http://en.people.cn/200604/22/eng20060422_260256.html, accessed on May 19 2015.

²⁵⁵ *Supra n.* 38.

With its policy, America succeed to turn the international rally around it, developed after the 9/11 attacks, into hate and resentment. Moreover, its traditional commitment with oppressive regimes makes its accusations towards China less convincing. With the “China effect”, the PRC diminishes the American and European leverages in respect to developing countries. Finally, it enjoys a great advantage in the MENA region, since it has the possibility to deal with states which were disregarded by the West due to their illiberal attitude.

4.3 The Chinese research of a balance: dealing with the Arab Spring and its challenges.

The general strategy that China is adopting in the MENA area is to maintain relations with the whole region disregarding rivalry and conflicts existing between these states. In doing so, it has to find a balance between its partnerships and to avoid taking somebody’s side. However, even if this task has always been a tough one, after the Arab Spring it has becoming still more complex, starting to show some signals of collapse.

Maybe most challenging issue that China is trying to take under control is to have economic and diplomatic ties with both parts of the Arab-Israeli conflict. In fact, although being a traditional supporter of the Palestinian cause, it also built relations with Israel. Moreover, it carries on fostering relations also with all the Arab countries. It essentially needs both economic ties: it is deeply dependent on Arab oil, minerals and markets, but, at the same time, it also necessitates the Israeli high-technology in the fields of arm and agriculture.

Another difficult balance China has to maintain is its partnerships with both Iran and Saudi Arabia. In fact, these two countries have very problematic relations, which are also steadily worsening. First and foremost, although they are both countries with a Muslim majority, they differ substantially in their foundation. Starting from the point that Iran is a non-Arab country unlike Saudi Arabia, if the latter is a conservative Sunni monarchy with traditional close ties with United States and United Kingdom, the former is a Shia republic born from an anti-Western revolution. They continuously struggle for obtaining the leadership over all Islamic countries accusing each other to be, the first one, the emissary of the West and, the other one, to have the intention to export its revolution in other nations. Iranian nuclear plans and the 2011 alleged Iran assassination plot, where it was accused by the US to have ordered the

assassination of the Saudi ambassador in America, did not improved the situation. Moreover, they are both major exporters of oil and natural gas, having therefore also a strong concurrency in the economic field. In effect, they are both important partner for China, being the PRC the first trade partner for both states. Furthermore, these two countries have also issues with other nations. Iran is in competition for the leading role in the area and to be the privileged partner of China in Middle East also with Turkey, even if the Syrian crisis seems to have damp a low down their rivalry. Finally, Saudi Arabia has territorial disputes with the UAE, Iraq and Kuwait.

Moving on the North Africa area, also Algerian-Moroccan relations present several issues. Their quarrels led to the closing of borders in 1994, after the Western-Sahara War of 1975-1991. Their disputes are mostly related to the Moroccan claims over the territory of Western Sahara and up to now the peace process did not bring any results. Also in their case, China is trying to find a balance. In fact, if Sino-Algerian collaboration rooted since the Algerian independence war, Sino-Moroccan relations are brand-new, but are rapidly strengthening. Nowadays, China is Morocco's third trade partner and their trade develops along Chinese export of consumer goods and services and its import of citrus and phosphates.²⁵⁶ Moreover, China also provides to Morocco its experts for infrastructures projects, fishing and in the field of clean energy.

Despite reaching satisfactory results in the region with this strategy, this behavior is having also some unintended consequences with states external to the area. For instance, it is creating some issues in its relations with the European Union. The first reason is that some European countries see Chinese trade-dumping policy and energy practices as a threat for their interests in the area. Moreover, the EU is also concerned about Chinese conduct in the ongoing political and humanitarian crisis. According to its view, China is principally making two mistakes: supporting Iranian nuclear program and putting not sufficient efforts in the UN peacekeeping programs. Finally, it condemns the vetoes posed by China upon the UN draft resolution aiming to solve the Syrian conflict. As a consequence, Europe started to be suspicious upon the real intentions of the Chinese foreign policy and to think about the PRC as an irresponsible international actor.

However, its contradictory, and sometimes disputable, comportment is turning back to China, mining its balance efforts in the area, its image and maybe its future economic expansion. Its

²⁵⁶ *Supra* n. 27.

behavior with the Islamic minority in the Xinjiang Province, its support to some very questionable regimes and its relocation economic strategy have already provoked some problems. Equilibrium among conflicting actors and interests, although bringing the great advantage to have the possibility to deal with every state, it has also the large disadvantage to limit the Chinese role within the area. Its pragmatic and inclusive approach, after the Arab Spring, is becoming more and more unbearable to be followed. As an example, the first time in which China took a clear position in a Middle Eastern conflict, posing the vetoes over some resolution about the Syrian crisis, the immediate consequence of its behavior was the Chinese flag publically burning during a manifestation, the first time that such an episode occurred in the region.

For over two decades, Sino-MENA relations were continuously expanding, with the benefit of both parts. Then, the Arab Spring came. It started on December 18, 2010 in Tunisia, and subsequently spread through all over the region. From Morocco to Syria, population revolts in order to ask the respect of human rights, the right to have free elections and to turn regimes into democracies. The results of these protests are still not clear, but there were some different achievements. From implementing reforms up to regime change, the Arab Spring, which arose unexpected, brought unpredictable results, to the surprise of the rest of the world.

China was shocked too. If its strategy of balancing between different states was already difficult to maintain, after the Arab Spring it became at least precarious. As a matter of fact, the PRC replies inconsistently to this issue and it often decided to back oppressive regimes only in order to conserve stability. It declared clearly to be in favor of the people's requests of reforms, stability and development, but it also strongly contested the use of force, even if used against oppressive regimes.²⁵⁷ Its appointment of a Special Envoy to the Middle East and Syria means that China has the intention to closely follow the situation. In fact, especially in Syria, China is concerned about a possible tentative of regime change enforced by external forces, a violation of the UN Charter. For these reasons, it posed with Russia four vetoes upon the drafts presented to the UN Security Council that aimed to intervene inside the civil conflict.²⁵⁸ Moreover, it opposed to sanctions towards Syria, aimed to punish the regime for the atrocities that it committed against its own population, and shielded Iran from an American-Israeli attack upon its nuclear installations.²⁵⁹

²⁵⁷ *Supra n. 27*

²⁵⁸ <http://research.un.org/en/docs/sc/quick>, accessed on May 13, 2015.

²⁵⁹ *Supra n. 27*

However, respecting the international principles of territorial integrity and non-intervention in internal affairs of other states, China's behaviors mainly protecting repressive regimes and, therefore, attracting the anger of the local populations. Moreover, it is acting incoherently in the moment in which it claims to sustain the rights of Arab people, while it is furnishing weapons to their oppressors. Its conduct is at times reactive, for example in the case of Libya, Yemen and Egypt, and at times cautious and confrontational, as for the Syrian conflict.²⁶⁰ Its lack of clarity damages not only its economic interests in the region, but also its reputation among the people, as proven the images of Syrian protester setting fire to the Chinese flag and the news about the Muslim clergy who calls for boycotting Chinese goods.

China opposed to the Arab Spring for several reasons. First of all, for economic motives. When it started to operate in the MENA region, its major premise was the stability of its dictatorial regimes. Revolutionary episodes through all over the area threatened not only the survival of these governments, putting in danger its sources of energy, but they augment also the risk to import democratic claims on the Chinese territory. Moreover, one of the "Three evils" for China (terrorism, separatism and religious extremism), namely separatism, can receive a new impulse from the pace of these revolutions.

The Muslim minority of Uyghur in the Province of Xinjiang, which is actually struggling to gain the independence from the mainland, has strong links with the Middle East. Therefore, the PRC perceives these goings-on as directly affecting its internal security, stability and prosperity. In fact, if Chinese separatists take as an example Arab rioters, revolts can expand in China and block the economic growth. Another necessity of the Party is to seem not in favor of the Arab Spring and, above all, of the foreign intervention to solve such questions, has creating a precedent for an eventual external intervention inside its territories in the case of future insurgencies. That was also the main reason why it opposed to the UN drafts for the resolution of the Syrian conflict. Finally, it is opposing to Arab Spring because is putting into danger Chinese "three major pillars of interest in the region: arms sales, trade and oil".²⁶¹

However, once the disorders finished, China had to discuss again its position inside the area. Besides continuing its general policy of mutual non-interference, it maintained relations with Saudi Arabia, Iran, Algeria and other governments which survived the Arab Spring. At the same time, it also moved to create new links with new governments in formation. For instance, the former Egyptian President Mohamed Morsi made in Beijing its first official visit outside

²⁶⁰ *Supra* n. 27.

²⁶¹ *Ibidem*.

Africa and Middle East, therefore underlining the vital importance of Sino-Egyptian ties.²⁶² Moreover, China remains a strong believer of the peaceful resolution of conflicts through negotiations, as also demonstrated with its abstention in the UN Resolution 1973, which aimed to intervene in the Libyan civil war demanding “an immediate ceasefire” and establishing a no-fly-zone.²⁶³ However, even in the new-formed scenario several issues still last.

The Chinese approach towards the area, very pragmatic when it decides to secure its own political and economic interests first, did not aid local population to develop a positive view of the PRC. Moreover, the current leaders of these countries find themselves in a very complex situation: they have still to fight in order to recover from the economic stagnation, while simultaneously reassuring their impatient populations. As a matter of facts, most of the times the Arab Spring did not lead to the expected results. In effect, it can be said that it is difficult to achieve full democracy for nations created by colonizing powers without respecting their natural borders and which never experienced democracy before. It remains to see how these internal problems will affect their external relations and if the changes resulting from the Arab Spring will last. At the present time, the situation is not still completely clear and the world is continuing to monitor the state of affairs.

4.4 The rising of ISIL and the future of international relations inside MENA.

The Islamic State of Iraq and the Levant (ISIL) is a terrorist organization operating inside the Middle Eastern area, especially in Iraq and Syria. It was founded in 2003 during the American Iraqi invasion as a branch of Al-Qaeda and then it expanded in Syria when the civil war exploded in March 2011. It has an Islamic Salafist-jihadi ideology, namely an extremist Sunni movement which looks at the *Rashidun* Caliphate (632-661), the period immediately after the death of Muhammad the Prophet, as the golden age of Islam and it attempts to restore it. The instrument used in order to achieve such a result is the *jihad*, the holy war, which it is directed both internally and externally.²⁶⁴

²⁶² *Supra n.* 15.

²⁶³ *Ibidem.*

²⁶⁴ The Meir Amit Intelligence and Terrorism Information Center, “*ISIS: Portrait of a Jihadi Terrorist Organization*”, November 26, 2014, <http://www.terrorism-info.org.il/en/article/20733>, accessed on September 30, 2015.

It came to the headlines for its fierceness and the large number of proselytes it is attracting. Moreover, its media campaign is very extensive and detailed, and allows journalists to have a direct access to their operations in order to show the world their commitment to its cause. One of its most powerful weapon is internet, where it implements an effective propaganda and recruits adepts. Finally, it widely uses social networks in order to spread its ideology.

The organization rapidly developed reaching its peak on Summer 2014. On July 29, the first day of the Ramadan, Abu Bakr al-Baghdadi, its leader, who took the name of the first Rashid, proclaimed the establishment of the Islamic State, a supranational Islamic Caliphate. Moreover, he took himself in the position of Caliph on the basis of his self-proclaimed lineage from the Quraysh, the tribe of Muhammad the Prophet. The goal is to reunite the *Ummah*, namely the Muslim community, under the control of the caliph. The alleged State extends from the Eastern part of Syria to the Western part of Iraq, aiming at expanding to the ancient territories of the first caliphates and to other Muslim countries.²⁶⁵

Since then, the international community discovered a new fearsome enemy to fight. A cruel adversary which gathers around him other terroristic cells and whose advance seems to be unstoppable. In effect, it settled inside regions which were destructed by previous wars, where the environment was favorable to the germination of these type of extremism. This is especially true in the case of Iraq, where the ISIL proliferated after the departure of the American army in 2011.

It is the umpteenth factor which operates as a destabilizer of the MENA area, and it is obstructing the normalization of the political situations of those states, causing also enormous amount of casualties. Moreover, it threatens its neighbor countries with continuous infiltrations, besides inciting its followers abroad to carry out terrorist acts in the respective nations. Finally, it menaces a zone rich in raw material and energy resources, causing difficulties to the economies involved in the area, especially to China.

The organization possesses some peculiar characteristics which, to some extent, pose it at a different degree of dangerousness in respect to other terroristic organizations, justifying the recent military intervention of many countries, including Russia:

- 1) it has a military capability. Though this feature is common also to other terroristic groups, ISIL stands out in this. According to the estimation of the Intelligence and

²⁶⁵ *Supra n. 264.*

Terrorism Information Center (ITIC), up to November 2014, it has “an estimated 25,000 operatives in Syria and Iraq, and their number is growing”.²⁶⁶ Moreover, “as many as 12,000 are operatives from Syria and Iraq, and more than 13,000 are foreign fighters”.²⁶⁷ Therefore, its proselytes come for the majority from external territories. Most of them come from other Arab-Muslim states, but around 3,000 fighters come from Western countries, with a large share of French and English combatants. Finally, it recruits among the population who inhabits the territories under its control, instructing militarily also adolescents. Some of the foreign fighters which were instructed in the Syrian or Iraqi camps are then sent back to their home countries with the task of operate in their own territories;

2) it possesses a large arsenal of weapons. Operating in countries like Iraq and Syria, the former with a weak army manly funded by America and the latter with the military engaged in a civil war, it had the opportunity to access to heavy arms and advanced technologies, usually at disposal of regular national armies;

3) it has the control of an identified area. The ISIL rules upon an estimated third of the Iraqi territory and on almost a third of Syria, an area inhabited by more or less six million people. It conquered Mosul, the second largest city in Iraq, Fallujah, which was converted in the symbol of the jihadi campaign against the US, and Raqqah, a city in the North part of Syria which was converted in the IS “capital city”, stopping at the peripheries of Aleppo and Baghdad;

4) it established alternative administration networks. The ISIL inserted inside the collapsed state structures of its territories and substituted them with alternative and operational institutions, namely “educational, judicial, policing and law enforcement networks”.²⁶⁸ It often gained the support of people precisely because it restores public services, usually provided by the state, in zone where the basic facilities were absent. Moreover, it uses these networks to deliver a Salafist-jihadi indoctrination;

5) it has high financial capabilities. Having taken control of national infrastructures, including some oil fields, it gains from the exportation of petroleum, from taxes imposed to the population, from private donations and from criminal activities, such as extortions, armed robberies, kidnappings and the trade of antiquities. Moreover, it sells oil in the

²⁶⁶ *Supra n. 264.*

²⁶⁷ *Ibidem.*

²⁶⁸ *Ibidem.*

black market at a bargain price, earning a profit of several million dollars a day. Therefore it acquired “semi-national financial capabilities to fund its military infrastructure and allow it to establish an alternative governmental system”.²⁶⁹ According to the collected information by the Iraqi intelligence, the ISIL treasure amount to 2 billion dollars, making it the richest jihadist organization in the world. However, since the starting of bombing on Summer 2014, their revenues from petroleum reduced.²⁷⁰

This features distinguish it from other armed organizations, but also attract the enmity of other terroristic groups. In fact, if in Iraq the regular army demonstrated not to be a valid opponent, leading to the American return in the cuntry on Summer 2014, in Syria the ISIL fights against several entities: apart from the Syrian regime of Bashar al-Assad, it combats other rebel organizations, such as the Kurdish militias and the Al-Nusra Front (“support front”), the division of ISIL in Syria which stayed by Al-Qaeda side after their scission in 2014.²⁷¹

The first objective of the organization is the conquer of Baghdad, followed by the expansion of the Islamic State. Therefore, its first steps was the declaration of the restoration of the Caliphate and the announcement of having broken the boarders created by Western countries with the Sykes-Picot agreement. In the words of the self-proclaimed Caliph Abu Bakr al-Baghdadi, “this blessed advance will not stop until we hit the last nail in the coffin of the Sykes–Picot conspiracy”.²⁷²

Other jihadi organization in Africa and Middle East have already sworn alliance to ISIL taking the name of “provinces” (*wilāyāt*), like the Egyptian Ansar Bayt al-Maqdis and the Nigerian Boko Aram,²⁷³ signal of an overcoming of the Al-Qaeda leadership. Moreover, the rise of ISIL posed several threats inside the region. In fact, it aggravated some tensions already present in the area, especially the division between Sunni and Shi’ites; it menaces the weak governments of the area and it is likely to substitute them in case of collapsing; veteran

²⁶⁹ *Supra n.* 264.

²⁷⁰ *Ibidem.*

²⁷¹ *Ibidem.*

²⁷² Owen B. McCormack, “*Revisiting the Sykes-Picot Agreement*”, July 2, 2015, in *American Thinker*, http://www.americanthinker.com/articles/2015/06/revisiting_the_sykespicot_agreement.html, accessed on September 30, 2015.

²⁷³ Istituto per gli Studi di Politica Internazionale, “*Lo Stato Islamico a un anno dalla presa di Mosul: i punti di forza e di debolezza dell’ISIS*”, June 11, 2015, <http://www.ispionline.it/it/articoli/articolo/sicurezza-mediterraneo-medio-oriente/lo-stato-islamico-un-anno-dalla-presenza-di-mosul-13492>, accessed on September 30, 2015.

fighters returning from those states are likely to become “carriers of terrorism and subversion”.²⁷⁴

One of its main achievement was the certification that the American attempt to bring democracy inside Iraq had completely failed. This explains why the United States took the initiative for the new wave of attacks. In effect, after a strategy of pinpointed areal attacks, which revealed to be a fiasco, President Obama formulated a comprehensive strategy aimed to “degrade and ultimately destroy”²⁷⁵ ISIL, along with an international coalition of Arab and Western countries. However, this strategy is weak since its objectives are unrealistic. Moreover, the present situation in Iraq and Syria are complex and fluctuating, making it impossible to change them with a military action. Nonetheless, it is possible to halt at least the advance of the ISIL in the area.

However, according to the ideology of its founder, Abu Musab al-Zarqawi, who was killed by American in 2006, the enemy of the organization is not only external, but it is also internal to Islam. In fact, he directed also against Shi’ite and Arab states, which are accused to support the West. Therefore, the organization acts violently also against this part of population, destroying cultural and historical Muslim sites. These moves were criticized also by Al-Qaeda, and they will be the point of departure for their schism.

In fact, ISIL accused Al-Qaeda of “straying from the correct path”,²⁷⁶ starting to compete with it for the leadership of the jihadi organizations. Moreover, it seems to have surpassed Al-Qaeda in popularity because of its brutality, its ideology, its military achievements and its conspicuous resources. Nevertheless, the organization was underestimated until it reached its first successes and showed to the world its cruelty.

Also China, which has not joint any coalition against ISIL, underestimated its potentiality. But its underrating can be costly. In fact, according to Wu Sike, China’s Special Envoy on the Middle East issue, on July 2015 almost 100 Chinese citizens, probably coming from the Uyghur minority, were known to fight on the ISIL.²⁷⁷ Other fighters have already come back to their home land. Moreover, during a speech in Mosul on July 4, 2015, Abu Bakr Al-Baghdadi was quoted to have said: “Muslim rights are forcibly seized in China, India,

²⁷⁴ *Supra n.* 264.

²⁷⁵ *Ibidem.*

²⁷⁶ *Ibidem.*

²⁷⁷ Ben Blanchard, “China says may have citizens fighting in Iraq”, July 28, 2014, in *Reuters*, <http://www.reuters.com/article/2014/07/28/us-iraq-security-china-idUSKBN0FX0FV20140728>, accessed on September 30, 2015.

Palestine” and, “your brothers all over the world are waiting for your rescue, and are anticipating your brigades.”²⁷⁸ In addition, within the maps which shows the ISIL’s plot of expansion of the next five years, Xinjiang is considered a part of the future Islamic State.

Nevertheless, the more likely Chinese response will be to enhance the deterrence or the censorship upon the Uyghur’s expressions of culture. In effect, they are actuating a great operation of sinicization of this minority, even if Xinjiang is officially an autonomous region. In fact, they are forced to move inside China and to use Chinese inside their public institutions. The risk is to provoke a major radicalization within the population, and especially among young people, paving the path for a real ISIL infiltration. Therefore, the danger is not limited to their interests in the region, but regards also its security and territorial integrity.

²⁷⁸ The Middle East Media Research Institute (MEMRI), “*In New Message Following Being Declared A 'Caliph,' Islamic State Leader Abu Bakr Al-Baghdadi Promises Support To Oppressed Muslims Everywhere, Tells His Soldiers: 'You Will Conquer Rome'*”, July 1, 2014, in *MEMRI: Jihad & Terrorism Threat Monitor*, <http://www.memrijtm.org/in-new-message-following-being-declared-a-caliph-islamic-state-leader-abu-bakr-al-baghdadi-calls-for-jihad-promises-support-to-oppressed-muslims-everywhere-calls-for-people-with-expertise-to-emigrate-to-the-islamic-state.html>, accessed on September 30, 2015.

CONCLUSION

Two opposite trends are currently marking the state of affairs inside the Middle Eastern and North African region: the departure of United States and a major involvement of the People's Republic of China.

The recent Chinese tendency to be more and more involved inside the MENA region is mostly explicable with the exponential growth of its demand of raw material and energy sources. Nevertheless, China's current commitment in the area is moving also towards the strengthening of diplomatic ties and cultural connections, an unexpected outcome from a country primarily interested in fostering the development of its economy. Moreover, while America is departing from the area to foster its connections in South East Asia, MENA countries as well are looking for Chinese investments and cheap goods, seeking also its international support.

Geopolitically speaking, the area has a central meaning for the international balances. The major proof of that is the presence of continuous struggles inside the territory in order to secure the oil fields. Furthermore, an important evidence of its strategic significance is the diffuse involvement of external powers within the internal dynamics of its states. In fact, at present, the zone is the most militarized in the world, being also the arms sale one of the most important commerce between China and MENA nations. Indeed, the enduring situation of social unrest and the occurrence of several regime changes give to the partnerships established in the region a certain degree of uncertainty, deteriorated also by the threat posed by terrorism.

Therefore, the PRC is now trying to diminish its economic reliance from the area, above all its trade dependency on weak states. Nevertheless, it is also quickly moving to re-establish relations with the new settled regimes, mainly encouraged by the perspective of taking advantage from the modification of the former situation. This is the behavior that China adopted after its first confused response to the wave of revolts, when it decided to support oppressive regimes furnishing them several weapons and posing its veto over some UN Resolutions.

America retreated from the area, after a massive involvement during the George W. Bush Presidency, leaving room for China to substitute it. A major role in the achievement of this result was played also by the example of the Chinese economic growth, which fascinated

several developing nations, especially authoritarian systems. In fact, another commodity that the PRC is now exporting is represented by its “market-authoritarianism” model, which actually legitimates regimes demonstrating how the economic progress can be achieved without reforming the state. “Beijing Consensus” is much more appreciated among them than the “Washington Consensus”. Finally, the PRC is also trying a counter-rebalancing policy in the MENA region responding to Obama’s strategy of “Rebalancing”, which is directed towards Chinese neighbors.

Nevertheless, forecasts about the future evolvments of China-MENA relations are very difficult at present. In fact, the situation is still developing and new governments have not yet finished consolidating their power. As a consequence, the Chinese involvement, which before Arab Spring was proceeding at a fast pace, is now slowing down.

The most pressing problem for these nations is the tentative of infiltration operated by the ISIL. Nevertheless, if the international community joints forces in order to secure the area and protect civilians, the ISIL advance would be stopped, creating also room for the renewal or the enhancement of the precedent relations. This scenario would be possible if United States and China will manage to reach the consensus upon a common action.

However, to reach such a conclusion, the PRC will have to assume a more proactive role inside the area and to loosen its rigid imperative of non-intervention in other states affairs. In fact, it is above all in its interests to rapidly solve this situation in order to continue its action inside the region and to further strengthen its economic and diplomatic relations with those countries.

As for what concern the United States, apart leading the armed attack on the ISIL territories, it did not modify substantially its foreign policy. Its main objective remains the implementation of the “Rebalancing” strategy, even despite the shortcomings that it is producing. This is due to President Obama’s conviction that the current situation will evolve into a systemic war that will lead to the redefinition of the boarders inside the Middle East.

This is a task for the major regional actors and not for external powers, especially as the United States realized that it has not anymore the sufficient power for ruling the world. Nowadays, it aspires to be mainly a regional power, choosing the South East Asian area as its zone of influence. This decision will certainly bring to a further deterioration of its relation with China, and probably to further imbalances in the long term, endangering the actual

global order. The result might be a self-fulfilling prophecy, with the materialization of a revisionist China in response to United States moves.

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