REFLECTING ON CHINA'S PRESENCE IN THE MEDITERRANEAN REGION

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President Xi Jinping's "Belt and Road Initiative" (BRI) came with the promise of a deeper Chinese political and economic engagement in international affairs. If successful, the BRI is bound to reshape regions near and far away from China. The Mediterranean region, which has been historically defined more by human activities than by nature, is particularly susceptible to such forces. This ChinaMed T.note is designed to shed light on the different aspects of China's presence in the broader Mediterranean region, drawing from an interview with Dr. Christina Lin, Fellow at the Center for Transatlantic Relations at SAIS-Johns Hopkins University and the resources of the <u>ChinaMed Observer</u>.

Essentially, Dr. Lin argues, the driver of the expansion of China's footprint in the region is the desire to strengthen the connection with Europe through investments in key logistics and trading hubs in the Euro-Mediterranean region in order to <u>reduce</u> shipping times and offset rising production costs in China. Factors like "naval gigantism" (the tendency to build increasingly bigger ships) and the consolidation of the shipping industry around a small number of large players make the Mediterranean region an increasingly central trade hub both for those routes that go from China to Europe and for those that bring Chinese goods to the North American ports on the Atlantic Ocean.

As <u>highlighted</u> by analysts of China's National Development and Reform Commission, the port and shipping industry is the "vanguard" in the internationalization process of Chinese manufactory industry through a "port+industrial park" model. State-owned companies like COSCO, TEDA Investment Holdings, and Ningxia China-Arab Wanfang Investment Management Company play a key role in this process.

Security wise, China is adopting a more proactive military posture to protect its overseas assets and citizens. It is establishing a naval base in Djibouti to augment its anti-piracy missions in the Gulf of Aden and United Nations peacekeeping operations in Africa, as well as support evacuation operations similar to the one in Libya in 2011 and Yemen in 2015.



As hypothesized by some Chinese media in late 2015, it is now possible to see the rise of a group of officers with previous experience of operations in the region as the leaders of the People's Liberation Army institutions tasked to further support the development of China's military presence abroad. Liang Yang, the newly appointed commander of the base in <u>Djibouti</u>, is a clear example of this.

Regional instability and terrorism in the Levant/ Eastern Mediterranean are the main challenges to China's BRI. In 2011, China was caught off guard by the Arab Revolt and US/NATO regime change operation in Libya, which resulted in massive economic losses and the evacuation of Chinese nationals. In Egypt, the Chinese Ambassador has recently <u>declared</u> that the local security conditions can be a serious challenge for Chinese companies despite the business opportunities in the country.

Another increasingly important problem is that of the flow of fighters and radical Islamic ideas moving to and from the region, Syria in particular. A reporter for the Dubai-based Al Aan TV revealed the presence of large Chinese Uyghur jihadi <u>colonies</u> in the Syrian province of Idlib, the outgrowth of which was supported by Turkey's Erdogan regime to breed anti-Assad jihadists. The presence of anti-Chinese militants using the Syrian base to also launch <u>attacks</u>

on Chinese interests cannot but cause serious preoccupation in Beijing. Besides direct and indirect support from countries like Turkey or Saudi Arabia for groups that can damage Chinese interests at home and

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community is very critical towards the abovementioned European and American operations that greatly contributed to create chaos in the region and harmed Chinese interests.

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Third, EU policy towards the region is still too fragmented and focused on issues, such as the the flow of immigrants through the Mediterranean Sea, on which China is not perceived as a potential and significant partner, although Chinese investments and aids could effectively promote the development in Africa that many European politicians call for. Moreover, the United Kingdom, the only European country that, albeit timidly, agreed to expand bilateral defense cooperation with China will not be part of the EU anymore in 2019.



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abroad, anti-Chinese sentiments in the region also surface from time to time in the local Arab <u>media</u>.

While these issues per se are not a challenge to China's core interests, these problems cannot be ignored because, even imagining China significantly scaling-up its regional engagement, cannot be solved unilaterally. This can explain why in China's first <u>white</u> <u>paper</u> on the Middle East there are several references to security and military cooperation.

"I don't know if we can say China has friends in the region since it is a newcomer, but it definitely has partners," stated Dr. Lin, "in a way, China is a blank canvas on which Mediterranean countries can project their aspirations for a different type of great-power relationship. It has no historical or colonial baggage unlike the West, and it does not moralize nor desire to persuade regional actors to conform to the superiority of China's ideology or culture." Moreover, China can leverage its economic wherewithal and contribute towards conflict mitigation and conflict management in the region, whether it is the Arab-Israeli conflict, Saudi-Iran rivalry, or the Syrian crisis.

Potentially the European Union (EU) could be a strong Chinese partner in the region to address challenges in its southern flank, and so is Russia. The United States too is a potential partner given overlapping interests of regional stability and security, counter-terrorism, and maintaining free flow of energy sources and open sea lines of communication. Countries in the Eastern Mediterranean such as Egypt, Israel, Syria, Lebanon, Turkey, Cyprus, and Greece are all partners to promote economic integration and regional stability.

The Israelis are also interested in leveraging China's economic power as a catalyst towards solutions to long-standing conflicts in the region. Indeed, it is within the context of the BRI and goal of broader regional cooperation that Israeli transport minister, Capt. Yigal Maor, proposed the Israel-Gulf Economic Corridor (IGEC) in September 2016. He believes that if China can invest in this IGEC that encompasses linking infrastructure projects in the Arab Gulf region with Israel and Jordan to transship Chinese goods, this could push Gulf countries into more formal ties with Israel. In turn this could jumpstart the Arab Peace Initiative that aligns with European and American goals in the Middle East Peace Process.

Yet, despite these premises, three key obstacles can be identified, each related to each of the three players. To begin with, as Dr. Lin noticed, the United States is still unsure of Chinese presence and perhaps dismissive of Beijing's stakes in the region. Due to legacy