



“China, the United States and the Middle East”
Conference remarks*

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Thanks for inviting me to be with you today. When Jon Alterman first asked me to speak to you at this lunch, I told him I was overbooked this month and couldn't squeeze it in. But then, I got to thinking about the subject, called him back on a Saturday, and said I'd like to take a shot at it. Because the more I thought about it, the more intrigued I became. There were three reasons.

First, the subject of the conference and this project is enormously important. If there are two more important countries in the world as this century begins, I don't know what they are. If there's a more important region, I don't know where it is. CSIS is to be congratulated for getting out in front of this vital subject. Second, as best I can tell, no one has thought much about this before. There is very little published work on it. No conventional wisdom is on the shelf. Third, whether or not such work is done, something important is going to happen at this geopolitical intersection. The certainties are that China's role is increasing, the U.S. interest is enduring, and the Middle East is in upheaval. The subject has an air of inevitability about it.

So we fail to think about this at our own peril. Better that we make every effort to think through scenarios and decide whether there are policies that raise the probability of one direction or another prevailing. As you all know, the project centers on the question of whether China and the United States are headed for rivalry and/or conflict in the Middle East or whether it is possible to envision and bring about a partnership or at least cooperation between the United States and China in the region.

Jon has given me a very specific question to think about – one that recognizes you are only at the beginning of your work. He has not asked me to project which way the relationship will evolve or to make specific predictions. He's asked me instead, just to think about what are the things that will determine whether China and the United States

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head for rivalry or partnership in the Middle East. What are the things that will push the relationship one way or the other?

Before plunging into specifics, let me first characterize the problem. First, the triad the project focuses on – China, the United States, and the Middle East -- is not a closed universe – many things outside that constellation will affect the trend of events. And I will talk about some of them. Second, although the project description talks in terms of “managing” these relationships, they will not be *easily* managed. Another way to think about the objective is this: how can we *minimize frictions* so that they don’t affect the overall direction of U.S.-Chinese relations in ways that would weigh against partnership in the Middle East.

Against that backdrop, I think the determinants of cooperation or conflict between China and the United States in the Middle East will be found at three levels, or put another way, *within three concentric circles*: At the innermost and most important circle, I would put the complex of issues that comprise U.S.-Chinese bilateral relations. In the next circle out would be regional trends in both the Middle East and Asia, and the outermost circle would consist of broad global trends that could have bearing on the prospects for cooperation or conflict between China and the United States in the Middle East.

Obviously, reality does not fit neatly into these categories and some factors will be operative at all three levels. It’s just a helpful way to organize our thinking. So let’s start with bilateral relations. It may seem simple minded to say that the United States having a partnership with China in the Middle East will depend on whether the United States has positive bilateral relations with China. But this is inevitably the foundation upon which a U.S.-Chinese Middle East partnership would be built.

In other words, I believe it would be unrealistic to think that the United States could have a tense, friction-laden relationship with China on a wide range of other issues and expect to somehow wall off the Middle East as an area of cooperation. So as China and the United States look at the Middle East, the starting question is: do they have similar goals – is there a basis for partnership?

The basic answer is yes. First, China clearly considers dealing with the United States as its most important bilateral relationship. To be sure, its relations with Japan are high on the list and its concern about Taiwan is ever present. But relations with the United States – from an economic, political, and defense standpoint – are number one. Second, if the United States wants a peaceful and stable Middle East, as I believe it does, it will *not* have to convince China of the need for stability there.

Why is this so? Well, I know you’ve talked about energy issues already this morning, and I won’t dwell on them. But I can’t avoid noting that Chinese energy needs carry enormous geopolitical implications. So even though China has been courting Venezuela, Sudan, and other oil suppliers, it is likely that at least 50% of its energy needs will still come from the Persian Gulf region for the foreseeable future.

Much of this moves through the Straits of Malacca, about 90% on foreign-flagged vessels. With China's energy needs likely to rise by 150% over the next 15-20 years, few things have higher value for China than maintaining the stability of that supply line from its origin to its end point – I recognize this has a global strategic dimension as well. Remember for China, the simple equation is energy = economic growth = political stability. So the last thing that China would want is a turbulent Middle East in which the predictability of that secure supply would be in question. Third, despite its close relationship with Iran, I strongly doubt that China wants to see Islamic fundamentalists armed with nuclear weapons. In fact, I think religious fervor scares the Chinese. Recall Beijing's great discomfort with the Falon Gong movement.

So the basis is there also for cooperation between the United States and China. What will determine whether it emerges is not so much dispute over *goals* as whether the two can agree on *means*. One obstacle will be a U.S. national security strategy that implies we won't feel safe until the rest of the world is democratic. China has long known this is our preference but elevating it to a central principle of foreign policy probably throws too harsh a spotlight on China for Beijing to be comfortable. So while Beijing almost certainly favors efforts to moderate Islamic fundamentalism, it almost certainly would pursue the goal through a different path.

To sum up this point about bilateral dynamics: U.S. and Chinese strategic objectives in the Middle East are not in serious conflict. Whether a partnership can emerge will depend on successful dialogue about means. And there, the two sides may find some serious differences.

Moving now to the second concentric circle – regional trends. Developments in both the Middle East and Asia will affect how China and the United States deal with each other in the Middle East. Looking first at the Asian side: let me say at the outside that I've chosen not to bring the Taiwan issue into the discussion. This is such a well-known and long-standing sensitivity between the United States and China that I think there is little I can add to what you can already conclude about it.

Obviously, China and the United States are in dialogue about the situation on the Korean peninsula. I believe the United States would have to say that China has been generally helpful in hosting six-party talks and using its influence with Pyongyang in a positive way. But the Korean situation is obviously fragile. If North Korea were to carry out a nuclear test, it would clearly deepen Japanese concern about Pyongyang, just like the battery of missile tests that North Korea has mounted over the last decade.

Even without such a development, the likely ascension to power by Shinzo Abe in Japan later this month could move Japan in some directions that Beijing would find worrisome. Abe has made plain his desire to revise the constitution to give Japan greater leeway in using its military overseas. He has also promised to elevate the Defense Agency to full cabinet status. In these circumstances, U.S. policy toward Japan could

become a determinant of whether China and the United States can forge a partnership in the Middle East.

The United States and Japan will inevitably be close allies, but if the United States was clearly intent on using its alliance with Japan as some kind of counterweight to offset China or limit its military options, this would probably be a deal buster for potential Chinese-U.S. partnership in the Middle East. Not many U.S. bilateral relationships carry such extraordinary sensitivity in Beijing. The U.S. relationship with Japan does. Therefore, in order to draw Beijing into a partnership in the Middle East, the United States will have to emphasize the objective of establishing *a stable U.S.-Japan-China triangle*.

There are other regional developments we could discuss, such as China's improving relationship with India or its growing importance as a market for Russian military goods. Given the strong interests that both Russia and India have in the Middle East, many of which dovetail with China's, it is conceivable that a China-Russia-India bloc could form and develop a coordinated policy toward the region that would somehow stand in opposition to U.S. influence or goals. This idea needs to be tested, but I would rate the chances of such a bloc as low, because there are as many potential points of friction as there are points of convergence among China, Russia, and India.

Now, staying at the regional level and moving from Asia to the Middle East itself, what events there will also help determine whether the United States and China can cooperate in the region? That depends on what kind of Middle East we are talking about – and with what consequences for potential U.S.-China collaboration. First, we are talking about a more complicated Middle East than China and the United States have dealt with in the past. It has also become commonplace to say that the Middle East has never been more dangerous. But why is this so? There are at least four reasons.

First, the issues demanding attention in the region are now maddeningly intertwined. Hezbollah's rising popularity in the Lebanon aftermath not only boosts the confidence and prestige of its sponsors, Iran and Syria, but also translates into still greater clout for them in Iraq, especially among the country's majority Shia. This then complicates U.S. efforts to tamp down spiraling sectarian violence there. The resulting combination creates more fertile ground for the recruitment efforts of violent extremists throughout the region.

Second, the two traditional pillars of stability and restraint in the region have been weakened. The mere fact that Hezbollah did not lose decisively to Israel in Lebanon was enough to erode one of the heretofore unchallenged assumptions – Israel always wins decisively on the battlefield. The other crumbling pillar of stability is the perception that the United States can always be the honest broker – between Israelis and Palestinians, Israel and the Arab world more broadly, and across the whole region – a belief greatly diminished, fairly or unfairly, by recent events. In the event of another outbreak of fighting, in Lebanon or elsewhere, there are thus fewer checks on the potential spread of violence.

Third, Iran's obstinacy on its nuclear ambitions has potentially graver consequences than before. While the Lebanon outcome may have increased the popularity of Hezbollah and its Persian sponsor on the Arab street, the fear of both has assuredly grown in Sunni Arab governing circles. Should Iran continue on its present path, the likelihood that others in the region will start to covet nuclear weapons is greater than in the days when Israel was the unchallenged regional superpower and the United States loomed larger in the calculations of all Arab capitals.

Fourth, if deepening sectarian strife in Iraq leads to the worst case - the break up of the country - it would unleash destabilizing forces of enormous magnitude. The United States and China have witnessed most of these problems at one time or another in the Middle East before but never all at once. For the United States, this means that its position in the region is substantially weakened – perhaps more than it ever has been. It is not nearly as well positioned to influence events in the region as it once was.

This presents both an *opportunity* and a *temptation* for China. The *temptation* is to take some pleasure in the fact that the United States is back on its heels in the region. Some in Beijing probably like the idea that a tied-down and distracted United States will have less energy and inclination to focus on China's perceived shortcomings.

But the *opportunity* is to help the United States deal with a situation that holds potential to accelerate destabilizing trends in the Middle East – trends that ultimately could pose a threat to secure energy supplies for Beijing. The acid test would come in the context of any renewed U.S. effort to restore an Israeli-Palestinian peace process that is now in shambles. As remote as a settlement may seem at this moment, achieving one is still the event with the greatest potential to bring stability to the region.

On the way to that goal, China could use its growing influence to put a thumb on the side of the scale that tips toward peace. China's solid relationship with Israel should give it some incentive to help. And with billions now invested in Iran's oil and gas reserves, surely China could exert some pressure on a country that remains the most influential state sponsor of Hezbollah, an organization that would dedicate itself to *derailing* any peace agreement.

And so another key determinant of a U.S.-China partnership would be the extent to which China was willing to choose opportunity over temptation and use its influence to restrain some of the potential spoilers in a peace deal. So how does China think about the end game in the Israeli-Palestinian conflict? And is it willing to use its influence to get there? This seems an important line of research.

Looking now at broader global trends, it is much harder to discern determinants of how U.S.-China relations will mesh - or not mesh - in the Middle East based on *these* trends. Global population trends do promise to exacerbate some of the Middle East problems just discussed. Over 90 % of the one billion plus global population increase expected over the next 15-20 years will occur in countries unprepared to cope with the

associated strain on services. This includes most countries of the Middle East, which are growing at a rate of 3-4 % a year. In a region where there is already a pronounced “youth bulge” in the population, this probably means more unemployed young people on the street, potential candidates for recruitment by extremists.

If both the United States and China want stability in the Middle East, might it not make sense to coordinate their aid and development policies toward the region? China’s willingness to coordinate such policies is another possible indicator of whether the United States and China migrate toward partnership or rivalry in the Middle East. So a worthy line of research might be: what *are* the aims of China’s aid and development policies and how prepared are they to coordinate them internationally?

Summing all of this up, I think it is possible to say that determinants of how the U.S.-China relationship develops in the Middle East can be found at all three levels I’ve discussed – the bilateral, the regional, and the global arenas. But hanging over all of this are some large unknowns that might also be legitimate subjects for research. These are basic questions such as:

- What does China want to do with its growing influence? Does it know? Does its strategic concept extend with clarity beyond Asia in a way that would permit collaboration with another major power in a distant region on matters that extend beyond energy security and prosperous trade?
- Is the United States, for its part, really prepared to compromise with a rising power in a region where it is accustomed to being the dominant outside player? Because compromise clearly will be required to forge a real partnership.

I know I have raised more questions than I have answered, but you are just at the beginning of a lengthy and exciting intellectual voyage, and, frankly, I didn’t want to spoil your fun.