



China's foreign policy and security challenges

CHINA'S NEW CRISIS DIPLOMACY IN AFRICA AND THE MIDDLE EAST


China's burgeoning global trade and investment has pushed Chinese foreign policymakers to protect Chinese citizens and corporate assets in crises in Africa and the Middle East.

Crisis diplomacy is now a permanent fixture of Chinese foreign policy. Hardly a year passes without a crisis impacting China's expanding economic footprint in Africa and the Middle East. Examples include the large-scale evacuation of citizens from civil war in Libya in 2011, the threat to energy assets from conflict in Sudan and South Sudan in 2012 and 2013, the 2014 kidnapping and evacuation of oil workers in Iraq, and the deaths of corporate executives in a terror attack in Mali in 2015.

RECOMMENDATIONS

- China should give renewed attention to inter-agency coordination between government ministries and state-owned enterprises during crises overseas.
- Governments and corporations can collaborate with a variety of Chinese stakeholders, from government ministries to state-owned enterprises, on risk mitigation strategies.
- Western governments seeking to work more closely with China on crises should attach a high priority to working through regional organizations in Africa and the Middle East.

The predominance of Chinese companies overseas has allowed special interests at times to have an uneven influence on Chinese foreign policy



Just like any foreign player, China is not a monolithic actor overseas. At home and abroad, China is made-up of many actors and many interests.

China's trade and investment in Africa and the Middle East have followed similar rising trajectories in the past decade and a half. Trade has increased some twenty-fold since the turn of the century, reaching over \$200 billion with each of these regions in 2014. Oil and energy investments dominate commerce. Two-thirds of China's oil imports come from Africa and the Middle East, and energy, finance and infrastructure represent growing sectors of economic engagement. Instability in both regions has necessitated a political and security response from Beijing.

As part of a broader realignment of its foreign and security policy, China's new crisis diplomacy represents the Chinese government's efforts to protect their citizens and investments when these are threatened by insecurity and instability overseas. Beijing's engagement in conflict resolution and deepening involvement in regional and international peacekeeping efforts marks a shift away from its longstanding principle of non-interference. Chinese diplomats have become more engaged in peace talks in Sudan and South Sudan, the Chinese navy has joined the international anti-piracy coalition off the coast of Somalia in the Gulf of Aden and will establish a logistics facility in Djibouti, and Chinese combat troops are part of UN peacekeeping missions in Mali and South Sudan. China aims to sustain its growing interests abroad and to demonstrate greater support for international peace and security, though not through direct military intervention. Nonetheless, China's gradual departure from the principle of non-interference represents a critical turning point in its foreign policy and the drivers of China's new crisis diplomacy in Africa and the Middle East deserve further scrutiny.

Many actors and many interests

The number, variety and level of engagement of Chinese actors in Africa and the Middle East have

grown dramatically over the past two decades. Just like any foreign player, China is not a monolithic actor overseas. At home and abroad, China is made up of many actors and many interests. To understand the interests behind China's engagement overseas and the direction in which its foreign policy may be heading in a particular country or region, the diverse group of Chinese actors that make up China and their diversity of interests need to be disentangled.

Political bodies in the Communist Party of China (CPC), particularly the Politburo Standing Committee under President Xi Jinping, remain the highest authority on foreign policy. While President Xi is striving to consolidate decision-making, there remain different channels of influence on foreign policy both within and outside political and government organizations. For instance, CPC bodies and branches of the People's Liberation Army may be more involved in countries where historical socialist and military ties are still strong. The Ministry of Commerce and China's policy banks, the China Export-Import Bank and China Bank of Development, will usually play a leading foreign policy role in countries where China has made resource-backed loans. Other bureaucratic channels of influence include the Ministry of Foreign Affairs, the Ministry of Public Security and the National Development and Reform Commission.

Chinese companies and foreign policy

State-owned enterprises and private companies also influence China's foreign policy decision-making. In the mid-1990s, China's national oil companies took the first steps in what evolved into an official 'Go Out' policy for Chinese state-owned and private companies. In search of new opportunities overseas, Africa and the Middle East became key regional destinations for Chinese companies. Foreign investment was accompanied by the migration of Chinese nationals completing contract work for Chinese state-owned

companies or establishing small businesses on their own.

In the absence of other ties, the predominance of Chinese companies overseas has at times allowed special interests to have an uneven influence on Chinese foreign policy. The China National Petroleum Corporation (CNPC), for example, is the most significant Chinese actor in Sudan and South Sudan. While there are other Chinese corporate, political and military interests in the Sudans, CNPC is front and centre in relations, with investments of upwards of \$10 billion in oil and infrastructure.

The corporate goal of CNPC to expand overseas and its high-level of autonomy from the Chinese government have indirectly steered China's foreign policy. Without its presence in the Sudans, China's involvement in crisis diplomacy in both countries would be minimal. Instead, in the face of conflict in the Sudans in recent years, the Chinese Ministry of Foreign Affairs has in practice discarded its stringent adherence to the non-interference principle by engaging in conflict resolution and urging the warring sides not to target

Chinese oil investments and personnel. Yet in its rhetoric it is slowly exploring alternatives to a new policy of limited engagement. It has also thrown its support behind the UN mediation efforts in which the East African regional body, the Intergovernmental Authority on Development (IGAD), has taken a leading role.

There are, however, only a few cases where a single Chinese company plays such an influential role in Chinese foreign policy. In Iran, for instance, China has oil interests, but different corporate and political channels of influence nonetheless balance its foreign policy. The activities of infrastructure and telecommunications companies, along with political and military links, and the demand that China closely balance its relations with Iran with other regional powers ensure that China's national oil companies do not monopolize relations.

Converging and conflicting interests

More often than not, the interests of Chinese actors in Africa and the Middle East converge around common objectives. Building globally competitive national



Chinese employee working on an oil rig in South Sudan. China has invested heavily in the country's oil industry © Panos Pictures/Sven Torfinn

champions out of China's state-owned enterprises is a priority for China's political leadership. But there have been notable instances during crises in Africa and the Middle East where the corporate interests of Chinese state-owned and private companies conflict with Chinese foreign policy.

The Chinese state arms manufacturer, the China North Industries Corporation, widely known as Norinco, has been involved in several cases. In Libya, the company negotiated deals with the Gaddafi government in the summer of 2011 just months after China voted in favour of a UN arms embargo. In 2014, the Chinese embassy in South Sudan needed to backtrack on statements that China would not sell arms to the South Sudanese government when Norinco was found to be moving ahead with an earlier sale. Whether these were misunderstandings between Norinco and the Ministry of Foreign Affairs in a fast changing environment or the arms manufacturer simply disregarding official policy is unclear. What is evident is that, rather than pursuing a well-coordinated foreign policy, many Chinese actors are following their own narrow interests. Without stronger coordination efforts from the Chinese government, cases of discord between Beijing and Chinese corporations will only multiply as China's overseas investments grow.

Hedging its bets

Elsewhere China has stayed closer to its principle of non-interference. In Syria Chinese economic interests are relatively small, and to date Beijing has perceived the political costs of intervention to be relatively high. Along with Russia, China has vetoed Western-drafted UN resolutions on the civil war. But unlike Moscow, Beijing seeks to be a neutral player. Chinese officials have met with both the Syrian government and opposition groups in an attempt to balance its foreign policy approach. After witnessing the rapid deterioration of stability in Libya following NATO intervention,

Beijing remains unconvinced of the utility of military force in resolving conflict. China does support the fight against the militant group Islamic State and the terrorism it perpetrates, but it opposes the US-led military intervention and America's efforts to oust Syrian President Bashar al-Assad.

Similar to China's endorsement of international and regional efforts to broker a political settlement in South Sudan, Beijing backs UN and Arab League mediation in the Syrian civil war. Foreign Minister Wang Yi has called on the international community not to 'arbitrarily interfere'. But supporting regional organizations, while essential, also poses its own set of hurdles to overcome. Both the East African regional body, IGAD, in South Sudan and the Arab League in Syria have member states complicit in the conflicts they are attempting to mediate.

Hard to stay neutral

In South Sudan, Libya, Syria and other internal conflicts, China has committed itself to a neutral position. However, as its economic presence expands in Africa and the Middle East, and national security concerns come to be linked with international events, such as the threat of terrorism, Beijing may have little choice than to engage further in crisis diplomacy. One of the most pressing foreign policy and security challenges that China faces in Africa and the Middle East is coordinating a diverse set of Chinese actors, with different channels of influence back in Beijing, to fall in line with a common policy of engagement. Similar to other major powers, China's foreign policy is made up of many actors with converging and conflicting interests. Understanding these complexes will reveal what tools China can bring to the table to solve some of these long-running and severe crises, as well as identifying where China continues to face challenges.

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Cover photo: Chinese President Xi Jinping meets with Mali's President Ibrahim Boubacar Keita in Johannesburg, South Africa, 3 December 2015 © Xinhua/Li Tao

