

“The Vital Triangle”

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For the United States, China’s increasing involvement in the Middle East represents the convergence of two major security problems. The first has to do with China’s rise, which depending on whom you talk to, is something that needs to be accommodated or something that needs to be shaped. The second has to do with energy security, which the United States began to take seriously after WWII and has taken increasingly seriously since the Arab oil embargo of 1973-74. Each problem set has its own specialists, its own disputes, and its own dynamics, and the intersection between the two is an increasing preoccupation of analysts in Asia, in the Middle East, and in the United States.

As I look at this problem, I see a triangle. On the one hand, we have a U.S.-China relationship. It is a relationship of considerable complexity. The U.S. Pacific Command is by far the largest of the combatant commands, outsizing even the Central Command, which is currently fighting two wars. China is clearly the principal focus of PACOM’s activities, and China’s increasingly robust Naval capabilities are forcing new thinking about the U.S. military presence in Asia. Yet, we are not looking at a new Cold War. The Sino-American trading relationship is the second-largest trading relationship in the world, exceeded only by the trade between the United States and Canada. As has been often remarked in the press, China holds more than \$900 billion in U.S. debt, giving the country a considerable stake in the fate of the U.S. economy. We are clearly not two superpowers on the brink of nuclear war.

Quite separate from the Sino-American relationship, we have the U.S.-Middle East relationship. The United States has positive relations with most governments in the Middle East, but these are relationships principally of dependency. Most governments in the Middle East—and especially in the oil-rich Gulf—rely on the United States for defense, especially against foreign foes. The United States sells billions of dollars of weapons to Middle Eastern governments every year, in part to deter potential regional enemies. Around the Gulf, the United States has military bases in each of the GCC countries except for Saudi Arabia. The economic ties are less vital. The United States is not the principal oil export market for any country in the region, nor is any Middle Eastern country the principal source for U.S. imported oil.ⁱ In fact, Saudi exports to the U.S. have flattened and China is now the principal destination for Saudi oil.ⁱⁱ

There is also the third relationship, the Sino-Gulf relationship. That relationship

has been exploding, driven in part by a hunger for Chinese manufactured goods and construction in the Gulf, and an unslakable thirst for the oil that helps drive the Chinese economy. Whereas U.S. oil demand is stagnant, Chinese oil demand is growing strongly and is projected to continue to do so. What is striking about the Gulf-China relationship is how economically driven it is, compared to the U.S. relationships with each party. China relies on there being security in the Middle East, but it sees little Chinese role promoting it. In fact, China shared the view of many in the energy business during the Bush Administration that the U.S. government was a key source of instability in the Middle East because of its military actions and its aggressive attacks on the political status quo.

We in the United States are used to thinking about bilateral relationships, but we are not very good at thinking of trilateral relationships. There has been an impulse in U.S. foreign policy to force countries to choose—"you're either with us or the terrorists"—with exceptions made for countries such as Finland and Yugoslavia whose geography made full alignment with the United States unthinkable. It seems to me that the only way to think of this relationship is as an inescapable triangle, with the additional understanding that if any two sides of the triangle gang up on the other, the one left out can make life miserable for the other two. That is to say, no party can force the United States out of the Gulf, or keep the Chinese out. Similarly, it would be hard to sustain a Sino-American effort to squeeze Gulf oil producers, although that would have as much to do with cheating on the U.S. or China side as with creative mischief-making on the Gulf side. Going forward, our goal should not be to deny the triangle, but instead to embrace it. It may be hard to imagine how China can play a truly substantial and constructive role in the Gulf, but it seems even harder to imagine an alternative scenario working better.

This is not an impossible task, and it is made easier by the fact that all three sides in the triangle share a basic strategic interest in regional stability and the free flow of energy. Those common interests create a platform for cooperation that can enhance not only security in the Middle East, but also Sino-American relations more generally. The Middle Eastern piece of this puzzle is a small but significant one.

United States in the Middle East

The Middle East has been a central focus of U.S. strategy for six decades. The United States moved into the region in the aftermath of World War II, when Britain began pulling up its roots in the Levant, and moved in further after Britain pulled out of the Gulf in 1971. For four decades, the U.S. position in the Middle East sought to block Soviet influence, and for the last decade or so, the United States has sought to limit the influence of radical Islam. The key issue is this: Over the last half century, the United States government accustomed itself to the prevailing order of the Middle East and determined that its strategic interests relied on that order's preservation.

The numbers tell an impressive story. Some scholars suggest that from 1980 to 1990, the United States spent approximately \$33 billion/year defending Middle Eastern

oil supplies, and an analyst suggests that the figure for 2003 ranged between \$37 billion and \$44 billion.ⁱⁱⁱ

China's rising engagement in the Middle East has raised concerns in at least two areas. The first, and the longer-running one, has to do with weapons sales. Several times in the last decade, Chinese has sold advanced weaponry to countries that are potential foes of the United States and has sought to obtain advanced U.S. military technology from friendly countries. Beginning in the Iran-Iraq War, it sold various anti-ship missiles to the Islamic Republic of Iran, including Silkworms and sophisticated guided anti-ship missiles. China's weapons relationship with Iran has taken on a new strategic significance since China became a net oil importer in 1993. Weapons transfers became part of the process of mutually beneficial exchange whereby China could secure energy deals with Iran.

U.S. military planners fear that Chinese anti-ship missiles could help Iran resist U.S. military efforts if conflict breaks out in the Straits of Hormuz.^{iv} One such anti-ship missile, a likely Iranian clone of the Chinese made C-802, was fired by Hizbullah forces during the Lebanon war of 2006, hitting an Israeli ship off the coast of Lebanon. The attack killed four Israeli crewmen and did significant damage to the ship.^v

There is another military angle as well. For many years, China has sought to obtain U.S. military technology, several times seeking sales through Israel that are proscribed by U.S.-Israeli agreement. In 2000, the United States forced Israel to withdraw from an earlier contract to sell four command and control aircraft containing U.S. technology to China. A 2004 agreement to upgrade and modernize China's armed drones with U.S.-derived technology aroused so much anger the Bush Administration demanded a written apology and the resignation of the director general of the Ministry of Defense.

The other area of concern is Chinese diplomatic activities, which many in the United States see as undermining efforts to preserve order in the region. The United States considers blocking any Iranian nuclear weapons capability a vital U.S. interest. China professes a similar desire, but Chinese representatives are clearly the most reluctant to impose additional sanctions on Iran, and the most visibly optimistic that tensions will be successfully managed through a diplomatic process. In private, Chinese officials profess fear that the United States is not motivated by non-proliferation concerns, but rather by aspirations of regime change. They see such a move undermining peace and stability in the Gulf rather than strengthening it. Meanwhile, U.S. critics of China's actions see China's desire as undermining U.S. efforts at diplomacy, cynically making favorable deals for Iranian oil while relying on the United States to contain the fallout of any successful Iranian proliferation effort (or, perhaps, encouraging such as development so as to constrain U.S. influence in the Gulf).

When it comes to military affairs in the Middle East, Beijing treads lightly. China has been a major beneficiary of the enormous U.S. efforts to maintain stability and security in the greater Middle East. Chinese leaders are not completely content with

Washington's management of regional security affairs and have sometimes pursued policies and trade relations that undermine U.S. efforts, yet they have avoided challenging U.S. predominance or major policy initiatives. In response to U.S. pressure, Beijing has curtailed certain arms sales to Iran and supported UN Security Council efforts to encourage Iran to suspend its uranium enrichment program. On the positive side, China has contributed peacekeepers to Lebanon—its first commitment of troops far afield—and it has several ships patrolling against piracy off the coast of Somalia. China's military activities in the Middle East clearly seek to reinforce the status quo, in sharp contrast to its Middle Eastern policies in the 1960s and 1970s.

Overall, China has had a strikingly unsentimental approach to the Middle East, which sometimes stands in contrast with the sometimes emotional overtones of Middle Easterners looking at their great power relationships. Many Middle Eastern states have had long and involved histories with the United States, but they see China as an investment in their future. Contemporary Middle Eastern views of China are similar to Middle Eastern views of the United States a century ago, when many in the Middle East looked to the United States to rescue them from European imperialism. Aloof from the struggles that had tested the Middle East throughout the nineteenth century and largely without clients in the region, the United States was viewed by an earlier generation of Middle Easterners as precisely the kind of honest broker that could help forge states from the ashes of the Ottoman Empire. President Wilson's championing of the idea of self-determination had helped buff U.S. credentials, and although there was disappointment in some quarters that the United States would not accept the mandate for Palestine, the refusal served to reinforce the notion that, unlike European countries, the United States sought neither power nor subjects in the Middle East. China now seeks to cultivate the benefits of being just such a disinterested outside power.

Looking forward, some basic ideas are worth keeping in mind. The first is this: ***The U.S. interest in the Middle East is strategic and enduring.*** For more than a half century, that interest has centered on energy security—not so much for U.S. consumers, but for the global market consisting largely of U.S. friends and allies in Europe, East Asia, and Latin America. Securing the stable, interrupted flow of oil at reasonable prices has remained a high priority for the United States, and promoting the stability of friendly regimes has consistently been an important means to that end. The U.S. interests in the Middle East go beyond energy, however. The United States maintains a strategic interest in the security of Israel. In addition, the global U.S. defense posture is increasingly concerned with devising effective methods to combat terrorism and other forms of asymmetrical warfare that are often tied to combatants or grievances originating in the Middle East. Other interests also help shape interests in the region, from non-proliferation to non-oil trade and investment. The events of September 11, 2001 gave both importance and urgency to the Middle East for U.S. policymakers. Global reliance on oil, and the U.S. role in ensuring the availability of Middle Eastern oil, seems assured for several decades to come.

At the same time, the United States remains keenly interested in China. While some in the United States look with alarm at China's growing capacity and fear a rival

superpower in the making, few doubt that China's size and impressive economic growth will continue to reshape the global balance of power.

The second issue is this: ***Chinese interests in the Middle East are significant and growing.*** China is acutely aware of its need to import oil to support its growing economy, and much of that oil will come from the Middle East for many decades to come. That plain fact is the consequence of two realities: first, the Middle East has the largest proven reserves of oil in the world, and second, China is far closer to the Middle East than other potential sources of oil such as West Africa or Latin America. While many Chinese scholars perceive a strategic imperative in conservation and pursuit of alternative energy, its immediate needs suggest a deepening of economic ties to the region. Additionally, the increasingly sophisticated behavior of China's state-owned energy conglomerates demonstrates that they are no longer simply seeking equity oil to meet China's needs. This further suggests that even if China's demand for oil were reduced, the future prosperity of large Chinese companies is now inexorably linked to that of the global oil market as a whole and Middle East oil in particular.

Compared to the United States, however, China's interests are relatively uncomplicated. China has walked away from its past as a supporter of liberation movements, and while it feels a need to crack down on terror groups based in the far western provinces of China, those groups do not have nearly the same centrality in Chinese strategic thinking that anti-Western terror groups have in the United States. China desires positive relations with all parties in the Middle East, and it has largely been able to achieve its goals. The fact that China has been able to build relatively close ties with both Israel and Iran is only partly a sign that neither relationship is a strategic relationship for the People's Republic; even more so, it is a sign of the deftness of Chinese diplomacy.

What is truly strategic to China is its relationship with the United States. Convinced that an antagonistic relationship with the United States would degrade China's interests around the globe, the Chinese government carefully weighs actions that might compromise core U.S. interests. China clearly sees the depth of U.S. engagement in the Middle East and is loath to challenge it. To a degree, Chinese see themselves benefiting from American missteps in the Middle East. As the United States pours resources into wars in Iraq and Afghanistan and is increasingly resented by regional publics, that redounds to China's benefit. China seems inclined to help the United States in modest ways, but it feels no need to assume a leadership role in policies it sees as deeply misguided.

Interestingly, China may not share the U.S. commitment to regime stability in the area. Whereas the United States is committed to securing the stability of friendly governments as a way to ensure its interests in the region, China seems more agnostic. Either China believes that it cannot make a material difference in the stability of such governments, or that U.S. efforts in that regard are sufficient to safeguard China's interests. The Chinese appear to be banking on the fact that they are a sufficiently attractive market that countries will sell it oil regardless of who is in power. Maintaining a

low strategic profile, in fact, helps ensure that ideological opposition to supplying China with oil does not arise.

Finally, ***The Middle East's interests in the United States and China are evolving.*** As recently as a few decades ago, the Middle East looked almost exclusively westward for both its markets and its security. Westerners helped develop the region's oil production, Westerners purchased much of that oil, and Westerners helped create the state of Israel in their midst. The Soviet Union had relatively less influence. For all of its efforts in the region, the Soviet Union never transcended principally military relationships with regional governments, and in the event, those relationships were mostly with relatively poorer countries such as Egypt and Syria, or very poor ones such as South Yemen. The idea of developing deep ties with China seemed farfetched not only for the region's governments, but even for the armed movements that opposed them.

To a great extent, Middle Eastern countries continue to look westward. The United States remains the most powerful and most agile fighting force in the region, and it brings potent tools to the table in governments' struggle against both international and domestic terrorism. U.S. technology in everything from weaponry to software to oil recovery is the best in the world, and U.S. organizational practice—in business, government, and the military—is a consistent force multiplier in addressing problems.

While only a handful of countries in the Middle East seek deep relationships with China to rival the kinds of relationships many others have with the United States, there is widespread curiosity about what a deeper relationship with China might hold. In part, this curiosity is driven by dissatisfaction with a U.S. presence that they see as both heavy handed and incompetent. The failure to make progress on Arab-Israeli peace issues, the Pandora's box that the U.S. helped open in Iraq, the resurgence of Iran, and the clumsy efforts to pressure friendly Middle Eastern governments to democratize have all dimmed the promise regional governments see in a close U.S. partnership. For energy producers, the rising rhetoric of promoting energy independence in the United States, combined with relatively flat demand growth for oil in recent years, suggest that a close U.S. relationship is insufficient to protect their interests.

Important, too, is a sense among many regional countries that bilateral relations with China can supplement relations with the United States without detracting from them. Even U.S. allies who would not want to provoke a full-scale rivalry between the United States and China see such relations as enhancing their bargaining positions vis-à-vis the United States. This is even truer with U.S. foes in the region that are desperate to escape from U.S. constraints, and are thus willing to provide especially attractive opportunities for Chinese investors willing to defy U.S. diktats.

Where does this go?

The challenge in all of this is to boost cooperation in areas of common interests, especially at a time when the United States is feeling strategically vulnerable, is wary of

China emerging as a potential global rival, and is fiercely protective of its role in maintaining Gulf security. China, for its part, often falls back on a conception of the United States as a global hegemon; as such, China believes that the United States seeks to hem China in rather than enhance common interests.

China could be forgiven for evincing satisfaction with the current state of affairs, in which it has access to all markets, the United States alienates many of those whom it seeks to protect, and China is able to freeload on the U.S. securing the sea lanes. However, such a state of affairs increases the possibility of Sino-American tension that degrades the interests of each. There is also something inherently instable in a Middle Eastern order that relies on the West for its security and the East for its prosperity. Something will have to give.

Rather than be a source of tension, the keenly shared U.S. and Chinese interests in Gulf security means that the region can be a locus of cooperation between the two sides, working in partnership with host governments.

There is little question that the Middle East can emerge as a key bone of contention between the United States and China, exacerbating what is already a sometimes tense relationship. The United States government sees the region as the most critical in the world, witnessed by the commitment of resources it continues to make in regional stability. It would be easy for China to be seen as a spoiler in this vital region, poisoning not only cooperation in the Middle East, but also farther afield. Further, some regional countries seem to see an interest in stoking a rivalry between the United States and China as a way of advancing their own interests. They do so either by encouraging China to evade U.S.-led sanctions or encouraging a bidding war between the two sides. Whereas some in the Middle East may see such a rivalry to their advantage, such a rivalry would be likely to diminish regional security rather than enhance it, leaves regional powers less secure than they already are, and certainly undermines the prospects of Sino-American cooperation in the region and further afield.

There is good news in all of this. It appears that China is not and does not seek to be a rival of the United States in the Middle East. Indeed, China's diplomacy is very clearly oriented toward not confronting the United States in the Middle East (or elsewhere, in most cases). In addition, China has benefited tremendously from the security protection that the United States extends for Chinese interests.

At the same time, however, many Chinese believe that U.S. actions in the region have undermined stability and thus hurt Chinese interests. There is an ongoing temptation for China to deal directly with states that the United States is seeking to isolate, thereby picking up valuable assets at fire sale prices. In other words, while there is no immediate conflict, the conditions under which conflict might arise are not hard to imagine.

Each side—China, the United States, and the Middle East—has a deep interest in promoting greater cooperation throughout the “Vital Triangle,” recognizing common

interests and acting in such a way as to promote them in concert. Such cooperation would have the benefit not only of enhancing security in the Middle East, but also of creating a pattern of security cooperation between the United States and China that would infuse a host of other engagements around the world.

ⁱ It was so from 1977-1981, and from 1988-1995. See Energy Information Administration, Table 5.4 Petroleum Imports by Country of Origin, 1960-2008

http://www.eia.doe.gov/emeu/aer/pdf/pages/sec5_11.pdf

ⁱⁱ Jad Mouawad, "China's Growth Shifts the Geopolitics of Oil," *New York Times*, March 19, 2010,

<http://www.nytimes.com/2010/03/20/business/energy-environment/20saudi.html>

ⁱⁱⁱ Milton R. Copulos, "America's Achilles Heel: The Hidden Costs of Imported Oil, A Strategy for Energy Independence," National Defense Council Foundation, 2003. www.ndcf.org. See also David Greene and Paul Lieby, "The Oil Security Metrics Model: A Tool for Evaluating the Prospective Oil Security Benefits of DOE's Energy Efficiency and Renewable Energy R&D Programs," Oak Ridge National Laboratories, 2006.

http://www.esd.ornl.gov/eess/energy_analysis/files/GreeneAndLeiby2006%20Oil%20Security%20Metrics%20Model%20ORNL_TM_2006_505.pdf

^{iv} Dan Blumenthal, "Providing Arms: China and the Middle East," *Middle East Quarterly*, Spring 2005, <http://www.meforum.org/article/695>. For an extensive discussion of the Sino-Iranian military relationship, please see John Garver, *China and Iran: Ancient Partners in a Post-Imperial World* (Seattle and London: University of Washington Press, 2006), chapter 7.

^v "Israel Navy caught out by Hizbullah hit on corvette," *Jane's Defence Weekly*, July 26, 2006

http://www8.janes.com/Search/documentView.do?docId=/content1/janesdata/mags/jdw/history/jdw2006/jdw24231.htm@current&pageSelected=allJanes&keyword=iran%20hizbullah%20c-802&backPath=http://search.janes.com/Search&Prod_Name=JDW&