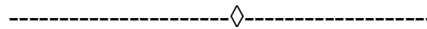




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Workshop 10

China and the Gulf

Workshop Directors

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Workshop Description

The concern of this workshop is with the present character and likely future trajectory of China's involvement in the Gulf region. While the underlying concerns of the workshop are political, much of the detailed analysis will need to be economic – given that the need for a political and strategic relationship is closely tied to the present and future economic interests of both sides. The workshop will concern itself, furthermore, with how other powers relate to the China-Gulf relationship: whether the US sees the relationship as threatening its own interests in the area, whether Japan, India and Russia will find themselves in competition with China in developing their own relations with Gulf states, whether China's heavy involvement in Africa can lay the basis for productive trilateral China-Gulf-Africa cooperation, and how EU interests may be affected. Some of the individual papers will focus on the specific country relationships involving Gulf countries: Iran-China, Saudi Arabia-China, Iraq-China, UAE-China etc.

1. Perspective on the Conceptions Motivating the Convening of the Workshop

The assumption is usually made in international relations that substantial economic engagement between countries carries with it the likelihood of a corresponding political engagement. In practice, this generalisation does not always hold true. For the Gulf region, for example, the largest economic trade partner over the past two decades has been the European Union, yet the political influence of the EU (whether as a collective unit, or as sum of the member states) has not rivalled that of the US. Nonetheless, the correlation of economic interest and political/strategic engagement is frequent and logical enough for the underlying presumption to be sustained. Much depends on the nature of the economic relationship, the extent to which there are significant elements of dependency built into the relationship (and whether this dependency is mutual or only goes in one direction), and what the military balance/potential is between the two sides.

In the case of the Gulf, moreover, there is a particularly strong reason for examining the possible political and strategic potential of its foreign relations: it is a region of very high strategic importance, where the Western powers (in particular the US) have traditionally been sensitive to the strategic/military involvement of other powers. In the late 1970s and early 1980s, for example, the Gulf was the focal point of the “New

Cold War”. Western fears that the Soviet Union was encircling the Gulf (with its military presence in Afghanistan, Ethiopia and the People’s Democratic Republic of Yemen, its close diplomatic and political links with Iraq, its strengthening naval presence in the Indian Ocean, and its cooperation with the post-Shah regime in Iran) led to heightened Cold War tension, and ultimately encouraged the US to provide armed support to the Afghan *mujahidin* who were opposing the Soviet-backed regime in Afghanistan. The question arises, therefore, as to whether the growing presence of China in the Gulf region will provoke (or is currently provoking) similar Western concerns.

2. Papers Presented to the Workshop may be Thematic or Country-Studies

As indicated in the Abstract, the papers presented may look at the specific relationship between one Gulf country and China, or look at how third parties are affected by the relationship, or follow a thematic approach tracing the impact of one factor/commodity/concern on the Gulf-China relationship in general (e.g. oil, options for strategic military cooperation, investment etc.).

Two examples of how country studies are given below, one related to the UAE and one to Saudi Arabia:

China-UAE: The economic relationship between China and the GCC has been multi-dimensional. Unlike the relationship which China has with other Gulf countries, that with the UAE is not primarily built around oil. The non-oil dimension has been more prominent. The Dragon Mart project in Dubai, funded by investment by the UAE and Chinese governments, is one example of how the Chinese government has been promoting the economic relationship. The strategy fits within the initiative which President Hu announced in 2001, when he encouraged Chinese enterprises ‘zou chu qu’ in order to compete with foreign enterprises and learn from them. The Chinese government has been directly promoting this involvement through concluding memoranda of understanding and commercial agreements with the UAE government. Dubai, indeed, has become the focal point around which Chinese economic involvement in the Gulf region has been orchestrated. The implications of this will be examined in the paper, assessing the significance of the economic relationship and its political implications.

China-Saudi Arabia: The rapid economic development of China clearly has major implications for its foreign relations with the oil producing countries of the Middle East in general. Strong bonds of mutual dependence are being created. The Chinese government, which officially inaugurated diplomatic relations with the Kingdom of Saudi Arabia in 1980s, has in recent years expended considerable effort in laying the basis for a close and cooperative relationship. At the heart of this relationship is the economic dimension, centred around oil and petrochemicals. This is not just a matter of importing oil from Saudi Arabia, with commercial goods being exported in exchange, but also far-reaching investment deals. These relate on the one hand to Chinese investment in Saudi oil production and on the other to Saudi investment in petrochemicals development in China. Oil exports from Saudi Arabia to China have increased by 7.6% in 2007. These considerations, however, also impinge on security issues, and these will be examined. Saudi Arabia has increased the purchase of military equipment from China. From the Chinese government perspective this is presumably intended to empower China's ability to foster stability in the Middle East region – in keeping with its own interests.

3. Potential Participants

Within the framework of interests which we have put forward above, we are seeking participants from a wide range of backgrounds: Gulf researchers with interests in this field, Chinese researchers with a record of Gulf involvement, other scholars with expertise in particular dimensions of the relationship. We particular welcome the involvement of young researchers (including PhD students) who are becoming engaged in this field.

Individual Director's Abstracts

Tim Niblock

The Geopolitical Significance of China's Growing Involvement in the Gulf.

The development of China's involvement in the Gulf region in recent years has been rapid and substantial. Although there have been some explicitly political and strategic

dimensions to this involvement, the overall appearance and rationale has been economic. This paper will examine the extent to which the economic objectives which are being pursued carry with them political influence. What ambitions does China have, and what is the next step? How is China's economic involvement seen within the region, and how will this involvement and its possible political dimensions be seen in the future? Is there a possibility that China would seek a military presence in the region to ensure continued access to its energy supplies? How would China position itself in the Gulf? Particular attention will be given to the implications which global tensions over Iraq and Iran will have for Chinese policy in the region.