

China's Foreign Policy towards the Mediterranean

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China's footprint has continued to grow in West Asia and the Mediterranean and in the process has also continued to deepen with every new economic project, trade and investment agreement. However, as will be discussed below, geopolitically and geo-economically, the Mediterranean cannot be seen as a single unit of analysis; this area is more akin to a patchwork, a patchwork of identities, economic maturity, natural resource endowment, military and political prowess and geographical factor endowment (location). It is this more nuanced perception of the Mediterranean which is also arguably shaping Beijing's broader Med regional approach. Broadly speaking, there are three large lenses through which one can view China's foreign policy and its policy priorities towards Europe, and specifically the Mediterranean, which are the lenses of geopolitics, connectivity and identity. Each case highlights the increasingly complex set of Mediterranean theatres in which China is operating, and together they provide an overlaid picture of the ways in which China is pursuing its growing interests in Europe and this particularly significant strategic zone of Eurasia.

But the war at the heart of continental Europe, and tensions at the global level between China and the United States, are having a direct, and at times unpredictable, impact on China's overall strategy of engagement with Europe, of which the Mediterranean, the Arab region and continental Africa are constituent parts. The Mediterranean represents the crossing point of three continents and is home to very different (even competing) cultures, traditions, faiths, state types and histories. It is also di-

vided by political economy and geography. Uneven development is a dividing line between the countries bordering its northern and southern shores, and geography pulls the Mediterranean into the different worlds of Africa, the heart of Europe and eastwards towards the Asian landmass. China's deepening presence in this complex and dynamic area is a new layer of engagement by outside powers, and China's deepening footprint across the Mediterranean heralds a prolonged period of interactions. But questions also remain in terms of how China will manage its relationships with the diverse groups of Mediterranean countries, how it will protect its core interests in the face of insecurities and tensions in this area, and how it might respond to kinetic tensions that can present themselves at any time in the Mediterranean subregions.

Geopolitics

The first lens, then, is that of geopolitics. China sees the European Union as the third important leg of the post-bipolar, unfolding multipolar and emerging world order. Since becoming Europe's largest trading partner in the early 2020s the credibility of Europe in particular as an autonomous actor in the international system, from a Chinese perspective, has gained even more currency. Beijing has described the EU as a "strategic force" in the international system, and, despite Brussels' description of China as a "systemic rival" China continues to see Europe as a counterbalance to the United States' overwhelming influence in the international system and its powerful presence in the Indo-Pacific. This perception of Europe has gained more popularity following the EU's strong reaction to the introduction of the Inflation Reduction Act (IRA) in 2022 by

what had appeared to be a post-Trump correction in a more Europe-friendly Biden Administration. With the promised commitment of nearly \$370 billion over 10 years in subsidies, tax cuts, financial sweeteners, and such like, the IRA is designed to return to American shores cutting-edge technologies to provide energy security for the United States and support for its radical climate change programmes. The promised billions of dollars in tax cuts, grants and loans as incentives to build clean energy systems in the United States is what has greatly concerned European capitals. Voices from the European Parliament and from within the Commission echoed wider European perceptions that the IRA was an assault on Europe, at a time when Europe was reeling under the pressures of Putin's aggression in Ukraine, securing the frontline against Russia, and uniting around NATO in support of European-American commitments to support Ukraine's war effort. Fear of the Act articulated itself around arguments that it will accelerate Europe's deindustrialization, shift investments and innovations in new technologies and clean energy projects from Europe to the United States and jeopardize European efforts to become world leaders in the generation of green hydrogen – the apparently bottomless supply of green energy. The EU was also concerned that the IRA will damage all of the EU's efforts to steal a march on Asian powers, and indeed the United States, in the race for new innovations in the provision of low-cost clean energy.

The establishment of the joint EU-US Task Force to address such European concerns may have helped to assuage some of the early concerns about the negative impact of the Act on Europe's clean energy industrial strategies, but from China's perspective the early reception in Europe of the IRA provided an opportunity for cultivation of a deeper dialogue with Europe about clean air technologies being championed by China, and Europe's wider concerns about the cost of severing global value chains and limiting trade and investment ties with China. For China, of course, the latter sits very much at the heart of its connectivity strategy, so at first sight the United States had played into China's hands. But the bigger geopolitical forces at work did not serve China's purpose.

Chief amongst these is the fallout from Russia's invasion of Ukraine. Firstly, the invasion has effectively

created a blackhole at the centre of the BRI's European passage. China's New Eurasian Land Bridge was designed to create thick connectivity networks between China and Europe, with Changsha-Chop and Xian-Kyiv-Budapest lines meeting in Ukraine. These two Ukrainian roots are dead for the foreseeable future, effectively terminating the flourishing rail cargo transport route from China to the heart of Europe. Russian aggression against Ukraine's maritime towns and cities has also put such major access points into the EU as Odessa and Mariupol out of commission, thus raising the strategic premium of Mediterranean access routes to mainland Europe.

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Secondly, the "no-limits" partnership announced in Beijing by the Russian and Chinese leaders just weeks before the war has now come to haunt Chinese-European relations. All but two EU countries now have a much more sceptical view of China and countries like Poland and the Baltic states, arguably the linchpins of China's European connectivity strategy, have emerged as the most outspoken supporters of Ukraine and, by the same token, the most disenchanted by China's ambivalent position on the war and China's continuing close partnership with Putin's Russia. For this reason too, the southern Mediterranean has become an even more attractive space for the pursuit of China's Europe-focused policies in terms of increasing the trade links between Europe and China, encouraging European investments in China, minimizing the negative impact of loosening global value chains, inhibiting decoupling, deepening cooperation on meeting climate change targets and clean energy strategies and, last but not least, using China's power to keep, and where possible, widen the gap between the EU and the United States.

Thirdly, the imposition of European sanctions on Russia and Belarus has meant that European firms will no longer use these countries' territories for trade,

thus removing the attraction of the BRI's overland east-west routes to Europe. Sanctions have, in effect, blanked out large swaths of the continent needed to build material cross-border networks. Finally, Mediterranean countries of all hue are finding themselves caught between the US' policy imperatives and their relations with China and Russia, respectively. In the case of Egypt, for example, we have seen American pressure leading to the termination of Egypt's military support for Russia in favour of supplying arms to Ukraine. In the case of Israel, we have seen American pressure leading Israel to try and limit China's role in Israel's economy, its digital and physical infrastructure and their military relationship. Despite significant tech-related cooperation between the two sides and Israel's growing business community presence in China, relations with the United States set the boundaries for the Israel-China partnership. Furthermore, China's recent diplomatic forays into the region in 2023, resulting in the détente between Tehran and Riyadh, have raised concerns in Israel that Beijing's policies could be weakening Israel's burgeoning relations with several Gulf Arab countries, and at the same time enabling its "comprehensive strategic partner," Iran, to confront Israel more directly. China's growing presence in Israel's neighbourhood might only be acceptable, in the end, if it does not come at the expense of a declining American role. At the same time, however, China's role in the development of the Haifa and Ashdod ports has continued, alongside other Chinese-led infrastructure projects in Israel.

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Similar anxieties consume Europe's capitals. While European countries need the US to remain fully engaged in and with Europe, and European Mediterranean countries all enjoy the security protec-

tion of the American Sixth Fleet, Europe still wants a degree of strategic autonomy from the United States, in order to be able to pursue a beneficial partnership with its largest trading partner and the world's second largest, and still rapidly growing, economy.

At times Beijing appears oblivious to the complexities of the Mediterranean's geopolitical conditions and thus pursues policies which might appear inimical to its core interests. This is partly a result of China's foreign policy apparatus and the absence of a coherent view of the Mediterranean as a region. Indeed, the Mediterranean seems to be divided into the two camps of "Europeans" and "Arabs," with Israel and Türkiye as appendages of one or the other. But the absence of a "Mediterranean policy" is arguably facilitating China's pragmatic, and at times opportunistic, policies towards this region. Thus, Beijing sees little contradiction in maintaining solid economic relations with Israel, while also being Iran's main economic and political partner. It can pursue relations with selective southern Mediterranean countries, without worrying about its interactions with Brussels at the EU-China level of discussions. It can seamlessly develop maritime connectivity projects with Egypt, while also cultivating overland connectivity initiatives with Türkiye. China seems able to act in the Mediterranean with impunity and, unlike the United States, has little heavy baggage on its back to tie it down or check its momentum.

Access, Transit, Transport

The second lens through which we can observe China's engagement in the Mediterranean is that of its interest in transport routes. These are three interrelated elements to this: the need for access, the right to transit and the transport infrastructure. These elements all feature in China's much vaunted Belt and Road Initiative and its predecessor, One Belt One Road, which has been crisscrossing Eurasia for over a decade now. Western Europe is the end point of BRI in Eurasia and, from China's perspective, is reached via land and sea. The Mediterranean region is arguably central to the realization of China's ambition of a China-led Eurasian integrated economic space. In the Mediterranean, China has forged BRI-

related links with the Balkan countries and Türkiye in particular. This has manifested itself in the “17+1” China-Central and Eastern Europe economic group, which has included every Balkan country as a member since 2019. The relationship facilitates China’s access to the natural resources of these countries and their markets for trade and investment, in exchange for Chinese investments in infrastructure and development of infrastructure projects, as well as access to Chinese capital.

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Such southern Mediterranean countries as Italy, Portugal, Romania and Greece have come to feature strongly in China’s “networking.” In the case of Greece, the port of Piraeus is now the jewel in the crown of BRI’s Mediterranean presence. This deep-water port, gleaming with new technologies, cranes and logistics infrastructure, is now arguably China’s maritime gateway into mainland Europe. China’s investments in Portugal, exceeding \$10 billion, and to a lesser extent in Italy, are also significant paving slabs smoothing China’s access to European markets. But the relationship is increasingly interdependent, as we see in the case of such an industrialized Mediterranean country as Italy, which greatly values access to China’s lucrative markets. Bilateral annual trade of over \$50 billion and Italian exports of over \$20 billion in 2022 attest to the importance of this relationship. It is important to underline, however, that these Mediterranean countries not only provide markets in their own right for China, but also act as access points and transit routes for China’s penetration of the richest single economic space on the planet.

Access to the Mediterranean has acquired greater urgency since Russia’s invasion of Ukraine in February 2022, of course, which has essentially blocked off the main BRI land routes to the European Union. Maritime routes now provide the easiest and most

secure and stable transport links between China and western Europe.

In this context, the blockage of the Eurasian land corridors has turned the spotlight on the Central Asia-West Asia (CAWA) corridor, presenting Türkiye with huge opportunities as the connecting space between Asia and Europe. The Middle Corridor, from Central Asia, via Azerbaijan, to Türkiye now being promoted by Ankara has acquired particular significance since the start of the war at the heart of the European continent. Türkiye, on the eastern edge of the Mediterranean, is actively engaging China to dovetail the BRI nodes in West and Central Asia with its Middle Corridor, thus weaving Türkiye into the Eurasian connectivity projects as a hub as well as a transit point. Bilateral trade of over \$30 billion a year, which is heavily weighted towards China, is a reinforcing factor in this, as is Ankara’s desire to act as the southern Mediterranean’s critical regional power, whose influence is felt from the western borders of China itself through the Mediterranean to the battlefields of Libya. Presenting itself as a geopolitical linchpin, Ankara would like to exploit such a status as a means of collecting “rent” from other interested parties for its role and presence. Despite tensions between the two countries over Ankara’s criticisms of Beijing’s treatment of its minority Turkic-Muslim population in Xinjiang and over Ankara’s role in the Syrian crisis, the two sides are looking to use the security crisis on mainland Europe to develop alternative access points between China and continental Europe.

At the other end of the Mediterranean, China has been busy forging BRI-related links with Egypt, whose Suez Canal acts as Asia’s gateway into Europe. Egypt is one of China’s most important strategic partners in the Arab Mediterranean, indeed in the Arab region as a whole, which has led to the establishment of a high-level “intergovernmental cooperation committee” to help develop their cooperation and accelerate the construction of BRI-related projects in Egypt. China’s growing presence in the Suez Canal Economic Zone, with targeted investments of over \$5 billion, not only helps develop this important access route to Europe, but is also leading to Chinese-assisted development of a range of industries along Egypt’s Red Sea coast, for use in markets across neighbouring states and regions.

China and the Arab Mediterranean

The third lens through which we can examine China's policies is its drive to deepen its Arab and related West Asian partnerships. This is part of how China attaches affinity to its relations with Arab countries and the Arab region more generally. To signal the importance of the Arab region to its foreign policy agenda, China developed an "Arab friendship strategy" (the China-Arab States Cooperation Forum) as far back as 2004. 12 years later, in 2016, China launched the "Arab Policy Paper" to flesh out the earlier policy document. The policy paper is rich in rhetoric about empathy, friendship, partnership and cooperation in all fields. It strongly underlines China's support for a two-state solution in the Israel-Palestine conflict based on UN declarations, consistent with views of the Arab League and wider international community, but, importantly, China recognizes East Jerusalem as the capital of the Palestinian State, which directly contradicts the US' position, which changed dramatically under President Trump by recognizing Jerusalem as Israel's eternal capital. China is also keen to promote China-Arab connectivity through its overland and maritime Silk Roads. Of relevance to the southern Mediterranean states is the policy's baskets of cooperation, which directly defines the parameters of China's engagement strategy. These are neatly divided up into five baskets, as follows: political cooperation, trade and investment cooperation, social development, people-to-people exchanges, and, finally, cooperation in the field of peace and security. Each basket, arguably, lays out China's policies towards the southern Mediterranean.

China has consistently drawn on these policy positions to inform its relations with much of the West Asian and North African region, including the southern Mediterranean countries. The China-Arab summit in Riyadh in December 2022, in the presence of President Xi Jinping and a host of Arab heads of state, is a case in point. The high-level Chinese delegation, headed by the Chinese President himself, used the summit to reinforce the partnership, driving home China's narrative of being a friend to the Arab peoples, and showcase the value it attaches to its unrivalled warm relations with the Arab countries. The narrative of "South-South" cooperation echoes in the China-Arab summits and, in a direct way, pro-

vides a dividing line between China's engagement with the southern Mediterranean region and its interactions with the southern European countries. South-South partnership has a soothing effect on the southern Mediterranean states which are looking to diversify their trading partners, building relations with strong countries beyond Europe and, ultimately, finding diplomatic cover from Western pressure. It is not surprising, therefore, that virtually every North African country has acquired a taste for Chinese investments and a desire for greater trade links, despite the fact that trade quickly becomes weighted in favour of China once hydrocarbons are taken out of the equation. Egypt and Algeria, the giant southern Mediterranean states, have both signed comprehensive strategic partnerships with China, and China already dominates their trade profile as their largest source of imports.

For China, the Arab region conveniently divides into three zones. The Persian Gulf countries meet much of China's energy needs and also provide it with huge markets in such countries as the UAE, Iraq, Saudi Arabia and Qatar. This subregion also plays a critical part in the western edge of the Asian component of the BRI.

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The other two important Arab zones fall in the Mediterranean – in North Africa and the eastern Mediterranean. North Africa is also home to the most populous and some of the largest Arab countries. With a combined population of nearly 260 million people, the seven North African countries have a substantial presence in the Mediterranean, their importance underlined by the geography of the southern Mediterranean, which stretches the length of the sea. I have already brought attention to the im-

portance China attaches to Egypt, but its ties with Algeria and Morocco are also significant, as countries that can aid China's efforts to strengthen European-African connectivity. Morocco's TangerMed port, arguably the largest of its kind in the Mediterranean, for example, is being groomed as a conduit for exports to France and the wider European markets. The overland transport route connecting sub-Saharan Africa and the Mediterranean through Algeria is another infrastructure project being pursued by China. Of course, these countries' phosphate deposits and Algeria's hydrocarbon potential are of ever-present interest to China.

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Defence and security partnerships, as noted in the Arab Policy Paper, also feature heavily in the southern Mediterranean, and particularly in the cases of Algeria and Egypt where China is hoping to pick up market share from Russia, whose ability to export military hardware to such traditional customers as Algeria is becoming increasingly questionable.

Finally, it should be noted, in the context of the southern Mediterranean, that China sees the North African countries as the critical link between the African continent and Europe, and thus draws on similar cooperation agreements (the Forum on China-Africa Cooperation) reached with African countries to reinforce its presence in the southern Mediterranean.

The third Arab zone of note, playing a part in China's Mediterranean policies is the eastern edge of the sea and where China has made efforts to reengage with Russia's ally, Syria, while continuing to stick at least to the spirit of Israeli-Palestinian peace. Regarding the former, China's profile is shaped by the

desire to take part in Syria's reconstruction, and by the need to be supportive of Russia's closest Arab ally. Syria's formal joining of the BRI in January 2022 has provided both sides with further incentives to forge closer ties.

In the case of the Palestinian-Israeli conflict, Beijing's offer of mediation following an escalation in violence in that conflict is a reminder of its continuing interest in this theatre and the weight it carries as a permanent member of the UN Security Council. China cannot abandon the Palestinian cause completely even if many Arab states may have downgraded its centrality to their regional policies, but it cannot minimize its contacts with Israel either, because the latter is arguably the most significant security partner of the United States in the area, and also because China needs Israel's technologies and innovative industries to compensate for the loss of access to American know-how.

Conclusions

China, arguably, does not have a single Mediterranean policy, and as such its interactions with this multi-identity and multi-geography area are shaped by the formulation of its interests conceived a world away from this region. Clearly, the BRI has had a direct impact on Chinese policies, and projects associated with this Initiative now crisscross the Mediterranean states' territories, also creating cross border networks across the sea, in the form of underwater communications cables between Europe and the southern Mediterranean, for example, and between neighbouring countries. For the southern Mediterranean countries in particular, China's growing presence is seen as a corrective force to reduce the EU's economic dominance of the Mediterranean Basin, and to help the Arab-Mediterranean countries to diversify their trading partners and invite Chinese foreign direct investment into their economies.

China's presence is now felt in virtually every corner of the Mediterranean and while there are differences in levels and intensity of engagement, it is the desire of the Mediterranean countries themselves to engage with China, as seen, strikingly, by the state visit to China of President Emmanuel Macron in April 2023. The energy in these engagements will

likely ensure China's continuing deep presence in this strategic neighbourhood. However, the conditions for China's continuing involvement, and the level of its success, will be determined outside of the Mediterranean and by Russia's military aggression in Ukraine. For European countries in particular, China is now an interested party in this war and what it does in relation with the war will shape European policies and attitudes towards Beijing. If China emerges as a peacemaker, the role President Xi now craves, then European countries will be the first to loosen their attitude towards it, but they will also look to Beijing to become a guarantor of future peace in Europe. This will be an unlikely proposition for China, given its other commitments and the complexities of its commitments in "greater Europe" to include Russia and the Mediterranean.

If, however, China is seen as Russia's default defender then the outcome of the war will be the defining character of the future relationship between China and Europe.

For the southern Mediterranean countries, on the other hand, it will not be the war itself but the fallout from it which will impact their relations with China. Their cost of living crisis, deepened by food shortages, expensive energy costs and imported inflation will limit their appetite for major infrastructure

projects of the kind that China promotes, despite the Chinese offer of favourable loans and subsidies. They will, in short, grow more risk averse. And, if Russia's military campaign in Ukraine crumbles, then China will have a reputational challenge to manage as well.

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So, while China has everything to play for in the Mediterranean and can continue to build relationships on top of its infrastructure projects across the Mediterranean countries, the destiny of its engagement is now more than ever being controlled by an ally with whom it shares a global outlook as well as much of Eurasia, but whose policies and conduct in Europe now directly threaten China's own grand Eurasian strategy. Irony does not even begin to capture the contradictions of this new geopolitical reality!