

China and the Middle East Economic Governance in New Era

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Abstract: *The Middle East Region has been suffering serious economic difficulties and the governance deficit for a long time, which demands a global response. In this new era, China has become an important actor in the progression of the Middle East economic governance; the contents of China's participation in the Middle East economic governance include energy, trade, investment, finance and developmental governance. Participation of China to the Middle East economic governance has improved economic climate and the terms of trade for the Middle Eastern countries, and enhanced their sustainable development ability, and also responded to the criticism from the Western countries accusing China of being a free rider with real actions. Compared to the Western countries, China's participation to the Middle East economic governance exhibits its own characteristics in governance goals, ability, path, regime, contents and governance styles. "The Belt and Road" Initiative marks China's*

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participation in the Middle East economic governance enters new level. The depth and result of China's participation in the Middle East economic governance are affected by various factors.

Key Words: *Global Economic Governance; Regional Economic Governance; the Middle East; Chinese Diplomacy*

As an important global strategic sector, the Middle East region has been suffering serious economic problems and governance deficit for a long time, facing difficulties in economic transformation and sustainable development; in recent years, the upheavals in the Middle East have aggravated the seriousness and complexity of governance. Middle Eastern countries in general demonstrate their own common features, such as single economic structure, fragile developmental environment, lagged infrastructure, serious polarization between the rich and the poor, rapid population growth, oversized pressure on employment and people's income, and high reliance on external parties. The capacity of their national governance and the effect are very unsatisfactory. Without taking into account the economic problems, we may not be understood the political difficulties of the Middle Eastern countries. The age of turbulence in the Arab world is driven by its own economic structure and development model (Adeel Malik, A. & Awadallah, B., 2011: November 23). The promotion of economic growth of the countries in the Middle East can contribute to decreasing poverty, generating new jobs, and reducing the risk of social unrest and political uncertainty. And in view of the prominent spillover effect of the problems in the Middle East, the enhancement of the level of regional governance in the Middle Eastern countries plays an important role to promote the region and global prosperity and stability (Sayan, S., 2009: 175;182). The major source of all the chaos and problems in the Middle Eastern countries is not the so-called "Democracy and Freedom", but instead, economic development. The real solution

to bring the Middle Eastern countries gradually out of the predicament is to resolve various problems in the economic development of these countries, to achieve sustainable growth, and to benefit the wellbeing of the people. On January 21, 2016, President Xi Jinping pointed out in his speech at headquarters of the Arab League that, “unrest in the Middle East roots in the development, and the ultimately resolution also relies on development.” The Middle East economic governance is based on to promote regional governance reform by cooperation between internal and external parties, to solve problems in the regional economic transformation and development, and to push the economy of countries in the region to the right track of healthy and sustainable development. Peace and stability, as well as development and prosperity in the Middle East are in accordance with the interests of all parties in and outside the Middle East, however, the Middle East often has difficulties to achieve its governance objectives. Therefore, international cooperative governance is necessary. If United Nations and relevant countries create suitable conditions in order to solve clashes and problems in the Middle Eastern countries, stability, peace, development and as well as prosperity would become true spontaneously in this region. Large scale of energy imports, diversified economic relations, the combination of the power ambitions, and the current diplomatic transformation have made China gradually increase its participation in economic governance in the Middle East.

I. The Basic Background of China’s Participation in Economic Governance in the Middle East

In the new era, diversified connections and the twofold interaction between China and the Middle East region have ceaselessly increased. China has increasingly involved in economic issues in the Middle Eastern countries. At home and

abroad, expectations and pressures on China to act a greater role in Middle East affairs continue to increase; it is inevitable for China to actively participate in the Middle East economic governance.

Firstly, the economic interests of China in the Middle East are rapidly expanding, and the multiple-level economic interactive relationship between the two sides is increasing. At present, China and the Middle Eastern countries agree constantly rising strategic needs to each other (Gao, Z., 2015: 14). The Middle East region has an important source of energy in the world, as well as an important trade channel, key destination of commodities, labor services and enterprises' investments. and there are variable risks to protect China's overseas interests; it is associated with multiple interests of China. The internal demand between China and Middle Eastern countries to strengthen economic relations, expand bilateral economic interaction and deepen economic ties has been increasing in recent years. "The Belt and Road" initiative could be seen as a key factor for the Middle East policy of China. The country's crude oil imports were close to 336 million tons in 2015, and dependence on foreign oil reached more than 63.5%; the crude oil imports from the Middle East amount to over 170 million tons, accounting for 50.7%; the top ten oil sources include six Middle Eastern countries (Saudi Arabia, Iraq, Oman, Iran, Kuwait and the United Arab Emirates) (Tian, C., 2016: 44-48). At the same time, China has expanded its economic ties with the Middle Eastern countries in a variety of ways beyond oil cooperation, and the Middle East has also become an important window to watch China's economy stepping into the world (Kāzemi, A. & Chen, X., 2014: 40-44). The rapidly increased economic status of China and its demand in participation in global economic affairs has enhanced the degree of attention on the economy of the Middle East region. China strategically proposes that the Middle East is an important trade, logistics and financial center, and is also a crucial

link to connect political and economic interests with Europe (Neill, A., 2014: 217). The economic development issue in the Middle East region, which have accumulated for a long period of time, as well as the concomitant continued unrest, are not in line with national interests of China. Active participation in economic governance in the Middle East is necessary to safeguard for China in expanding its regional and global interests, especially economically, partially strategically.

Secondly, expectations and pressure from the Middle Eastern countries and the international community on China's joint governance has been rising in the last decade. Economic strength and influences of China has become more and more prominent, and the contribution of China's factors in the global economic system has been rising. China and the Middle Eastern countries have strong economic potentials, and this could be seen as complementarity. They are ideal economic and trade cooperation partners for all countries in the process of new economic relations with notable establishment of the cooperation. China's trade with the Middle Eastern countries is relatively weak in competitiveness, but shows a strong trade complementarity (Han, Y., 2015: 89). Economic ties and mutual dependence between China and the Middle Eastern countries would become more and more obvious. China has become the major trading and investment partners of the Middle Eastern countries, the center of the energy export market, new investment destinations of petro dollars and produced materials. Developmental path and the experience of China has increasingly caught the attention of Middle Eastern countries in the last decadence. These Countries embrace the view that China is rising as a new global power in reality with a strong attraction in the economic development and production. Their expectation on China's participation in regional economic affairs could have been rising. Under the context of complex and turbulent regional structure, they welcome China could be an

actor in a greater role in the area of economic governance in the Middle Eastern countries. On the other hand, in the recent years, Western countries especially the United States has been unceasingly criticized on China's policy in the Middle East, believing that the policy in the Middle East is merely the pursuit of energy, and that China is just being selfish in the Middle East to maximize its own economic interests as a big "free rider". For example, in August 2014, US President Barack Obama publicly accused China of using the United States' intervention and stabilization effort in the Middle East to take a "free ride" and gain access to economic interests (*New York Times*, 2014: August 9). Is China a "free rider" in the Middle East? Just in turn to accuse the United States as the manufacturer of chaos in the region is not enough, we also need more powerful and active response with action.

Thirdly, it is very important that participating in the Middle East economic governance for China to participate in global economic governance. It is an essential way to enhance China's global economic governance competence and discourse, as well as an important stage to promote the cooperative relations among major powers. Presently, China proposes to actively participate in global economic governance and provide public goods, and develop powerful discourse in the system of global economic governance. On the one hand, intricate Middle East regional governance is making the region one of the key areas to test global governance capability of powers in the world. To actively participate in economic governance in the Middle East is an important path to enhance China's contribution to the establishment of a global economic governance system and discourse power in it, from relevant region and specific domain. It is also conducive to open up a new path of reform for global economic governance. On the other hand, the Middle East is also a key region that affects relations between big powers such as the

US, Russia, EU, and etc. World powers are all involved in the process of economic governance in the Middle East region in varying degrees; there are complex relations and interests, and there are differences in policies and governance; the impact is far beyond regional category, showing the relationship of both cooperation and gaming. Control of great power rivalry and conflict, and establishment of open and win-win power relations of cooperation are very important for outsider powers as well as this region. The Middle East economic governance can become an important “Experimental Zone” between China and other major powers, especially China and the US, to build new major power based relations. China and the United States have a large number of common interests and broad space for cooperation in the Middle Eastern countries. They would be jointly maintained stable energy supply, and promote regional economic development. At present, the interests of China and the United States in the Middle East are converging, and the changes in the real situation gradually require the cooperation between China and the United States (Keck, Z., 2014: September 21). Although there are some contradictions between China and other powers, and the roles of them in the Middle East are different, the common interests of the great powers in the Middle East are greater than the differences generally, and to maintain and strengthen the common interests of great powers are common challenges faced by all stakeholders.

II. Connotation of China’s Practice in the Participation of Economic Governance in the Middle East

China’s effective contribution in economic governance in the Middle East dates mainly from the beginning of the Twenty-First Century. In 2004, the establishment of the China-Arab State Cooperation Forum was an important sign for this new era. Since the global financial crisis in 2008, especially the proposal of “The

Belt and Road” initiative, China has significantly strengthened its participation in global economic governance efforts; its participation in economic governance in the Middle East has entered a new stage as well. At the moment, China has become an important part of the economic governance in the Middle East; the connotation of practice has become increasingly rich, and the impact has been expanding day by day.

Firstly, through mutually beneficial economic and trade exchanges, and docking development strategy with the Middle Eastern countries, China has improved the regional economic development environment and trade conditions. China has been working intensively in order to achieve bilateral trade diversification on the basis of energy trade, utilize its experience and advantages in manufacturing, project contract facilities, infrastructure and capital, through the joint construction, laborers training, and technology transfer, to enhance mutually beneficial cooperation. China is actively docking with the “Eastward” policy of the Gulf countries, Turkey’s “2023 Century Target” and high-speed rail planning, the United Arab Emirates’ global logistics center, Egypt’s upgraded version of the Suez Canal Economic Corridor, and actively participate in the investment and construction of the relevant planning, becoming an important force to push Middle Eastern countries in order to establish the economic development strategies and targets. China’s rapid economic and social development directly promote economic growth in the Middle East, and the economic and trade relations between China and the Middle Eastern countries have become an important engine to promote regional prosperity and development (Fan, W., 2015: 60).

Secondly, China has been committed to build a cooperative platform in order to promote economic co-development with Middle Eastern countries, and to provide policy and mechanism for regional economic stability and development. China and

eleven countries in the Middle East have established various forms of strategic cooperative relations, and signed a long-term trade and “Investment Promotion Agreement” with the vast majority of countries in the Middle East, establishing consultative mechanisms, such as the economic and technological cooperation and trade committee. China is not only devoted to strengthening relations with Middle Eastern countries, but is also actively developing cooperative relations with OPEC, GCC, the Arab League and other regional organizations (Dorraaj, M., 2013: 63). In 2004, China and the Arab League established the China-Arab State Cooperation Forum, and in this framework established the China-Arab Economic Forum and the China-Arab energy cooperation conference and other mechanisms, which become a notable platform to promote pragmatic economic cooperation between China and the Arab World. “The Belt and Road Initiative” provides a new platform for cooperation in development of bilateral economic relations, realizing the combination of different mechanisms, combining various economic advantages, realizing the coordinated development and common prosperity, trying to establish a new order model for regional economic governance.

Thirdly, China participates in economic transformation and the reconstruction process of the Middle East region with the increasing economic strength and managerial ability. Frequent chaos caused by wars and conflict in the Middle East still exists; old conflicts and new unrests brought by the Arab transformation are intertwined, resulting in a serious impact on the economic development of countries in the region. On the one hand, China has increased the export of infrastructure and capital projects, providing development experience in economic development planning, attracting investment, construction of special economic zones and other areas to promote the economic transformation of the region. On the other hand, it has expanded support for the

Middle East economic recovery and reconstruction work, assuming more and more responsibility in Afghanistan and Iraq's postwar economic reconstruction, and the development aid to Palestine and countries, such as Sudan, Egypt and other countries in transition for their economic restoration. Technology of China and China's speed strongly support the local economic construction projects—its role has received international recognition. For example, the "Chinese speed" in the construction of the Halfaya oilfield project was highly spoken of by Iraq government (Xu, L., 2012: August 1).

Fourthly, China has called empathetically on the international community to jointly promote economic governance in the Middle East. Facing hard economic development tasks and unfortunate development environment in the Middle East, China has repeatedly called on the international community together to create a good external environment for the development, and work together to provide practical assistance, actively supporting the United Nations, the International Monetary Fund, the World Bank and other international organizations in the region's economic development to play a bigger role. For example, in May 2006, China's special envoy and ambassador to Egypt Wu Sike said on the World Economic Forum, the close attention and active participation of the international community will provide good conditions for the restoration of political stability and economic revitalization in the Middle East. In March 2014, China's special envoy Wu Sike said on the Second Conference on Cooperation among East Asian Countries for Palestinian Development, it is the duty of the international community to help and support the construction and development of the Palestinian economy, but also the only way to achieve lasting peace in Palestine and Israel. China is always ready to help clean up the rubble left in Afghanistan and Iraq, and work with a large number of companies from neighboring countries and international

organizations (Bianchi, R., 2013: 111). In October 2014, China hosted in Beijing, for the first time, the fourth foreign ministers' meeting of the Istanbul Process on Afghanistan, uniting all parties to increase investment in that country. The construction of "The Belt and Road" initiative and Asian investment banks and other regional governance mechanisms all follow the model of an open international cooperation, and actively participate in it with all countries inside and outside the region that are willing to work together, bringing new opportunity for international cooperation for economic governance in the Middle East.

Overall, China's participation in the economic governance of the Middle East region is mainly in the energy, trade, investment and finance, development and other sectors; related governance practices mainly focus on these four areas.

The first is the Middle East energy governance. In view of the central position of the Middle East region in global energy production; energy governance is one of the key economic governance areas in the Middle East. Oil occupies an important position in economic relations with the Middle Eastern countries—they also showed a positive correlation (Salman, M. & Geeraerts, G., 2015: 102). China needs to obtain a steady supply of oil and gas, and pay close attention to energy development and supply security in the Middle East, which is the key interests of China and is also consistent with the international community's focus on energy security. On the one hand, China and the Middle East have maintained large-scale trade in recent decade. China provides a stable energy export market for oil producing countries in the Middle East. The Chinese market is becoming more and more important for the Middle Eastern countries with high dependence on oil and gas exports, and is of great strategic significance for its oil exports security. On the other hand, China brings certain investment funds and technology, enhancing the capacity of sustainable development of energy industry,

meanwhile assisting oil and gas producers to improve passive situation of relying solely on the export of crude oil, which is subject to international oil market fluctuations. Again, China will combine the Middle East Energy Governance and global energy governance process, and jointly safeguard the stability of the international energy market; work together with regional countries in international energy governance, enhance its position and hold a common discourse in the global energy market; actively participate in international cooperation within the framework of multilateral energy governance; establish dialogue mechanisms with OPEC and the GCC; gradually expand the Middle East energy governance in the framework of international institutions, such as the International Energy Agency, International Atomic Institute, and the G20.

Second in the priorities is the Middle East trade governance. On the basis of energy trade, China will continue to expand bilateral trade; its role in promoting the growth and terms of trade and is growing. The participation in Middle East Trade Governance mainly includes expanding bilateral trade relations, promoting foreign trade conditions in countries and regions, and transforming trade patterns in the region. Firstly, China has actively signed trade cooperation agreements with Middle Eastern countries, to build mutually beneficial trade platforms, and to promote the construction of mechanisms, such as the China-Arab Economic and Trade Forum and the China-GCC Free Trade Area. Secondly, the nature of mutual benefits between China and the Middle Eastern countries in bilateral trade, as well as the huge demand from China, made significant contributions to the improvement of trade conditions in the region. To a large extent, it is precisely because of the development of China's foreign trade that the Gulf countries, which rely heavily on the import of manufactured goods and export of oil, have improved their trade conditions greatly (Yang, G., 2014: 107). Finally, China is becoming

a major player in changing the pattern of trade in the Middle East region. Economic relations among Middle Eastern countries have a distinctive export-oriented feature; complicated political considerations and the fragile regional economic connections made the governments have weak willingness in promoting intra-regional economic cooperation (UN-ESCWA), and their own foreign trade and financial relations mainly focus on relations with Europe and the United States. The rise of China's economy and the expansion of demand have significantly changed the foreign trade patterns of the Middle Eastern countries, so that the focus of foreign trade has gradually shifted to the Asia Pacific countries, and gradually expanded the proportion of intra-regional trade.

Third on the list is the Middle East investment and finance governance. China's participation in the Middle East investment and finance mainly includes bilateral, regional and global levels of investment and financial management cooperation practice and mechanism building, expanding governance cooperation in petrodollars, sovereignty wealth fund, Islamic finance, oil finance, etc. Financial cooperation with global economic governance mechanisms, such as the World Bank, the IMF, and the G20 has increased steadily. As the world's largest trading country and the largest international engineering contracting country, China has prominent comparative advantages in achieving the mutual promotion strategy of the project contracting and equipment exports as well as in exporting Chinese standards. China also has abundant capital accumulation to implement economic cooperation with the developing countries in the field of infrastructure (Mei, X., 2013: 45). China and the Middle Eastern countries have established multi-bilateral development fund or financing fund, and set up offshore RMB trading centers and clearing centers, through currency swaps agreements and other financial cooperation agreements; China promotes trade and investment facilitation with its currency circulation, bringing a

positive impact on the financial governance structure of the Middle East. Among the 57 founding members of the Asian Infrastructure Investment Bank (AIIB), where China plays a leading role, there are 9 Middle Eastern countries (Saudi Arabia, Kuwait, UAE, Qatar, Oman, Egypt, Israel, Jordan and Iran). The IMF also welcomed the AIIB to provide financing services for the Middle East, Central Asia and other places where infrastructure investment is needed (Xinhua News Agency, 2015: May 7).

The fourth could be seen as the developmental governance in the Middle East region. Presently, China and the other emerging aid recipients have greatly changed the situation of global development aid, and injected new vitality into international development aid. The relationship between the “Beijing Consensus” and South-South cooperation highlights the dual status of China as a donor and a partner in the process of development aid (DeHart, M., 2012: 1372). In terms of economic and livelihood issues in the Middle East, China adheres to the development goals, focusing on improving people’s livelihood and providing power for regional economic development. China's participation in the practice of development governance in the Middle East includes two aspects: one is to assist and promote the countries’ efforts to solve poverty, unemployment and basic living guarantee of people’s livelihood in the region; the second is to expand development aid efforts by providing policy, ideas, capital and technology for countries in the region to enhance their capacity for independent development. Therefore, China actively provides aid projects, debt relief and low interest loans to slow-developing countries or turbulent countries in the region, focusing on infrastructure construction support, medical health and economic reconstruction projects in countries of the region, as an important source of aid funds for the development of the Middle East. As mentioned before, China has repeatedly provided financial assistance to Afghanistan and Iraq in recent years, and

alleviated their previous debts; provided humanitarian assistance to Palestine, Sudan, Syria and Yemen; provided assistance within its capacity to transition countries that lack funds, for example, China provided an aid package of RMB 450 million to Egypt and donated RMB 100 million to Yemen. China also provided financial assistance and project guidance to countries in transition in the framework of the United Nations and the International Committee for the Red Cross, focusing on development aid to countries in the Middle East through technical cooperation projects and personnel training.

III. The Main Features of China's Participation in Economic Governance in the Middle East

Compared with Western powers such as the US and EU, China's Middle East economic governance practice has its own characteristics with respect to its goal, ability, path, mechanisms, fields, and style, making its own unique contribution to economic governance in the Middle East.

Firstly, in terms of the governance objectives, the focus of Western powers' reform is to promote democracy and security, which tend to be short-term targets; for its part, China focused people's livelihood and development, and the enhancement of independent development capability of countries in the region, which focuses on a permanent cure. Western countries have been trying to use democracy to promote Middle Eastern countries' reform or transformation, hoping that economic and trade cooperation can promote democracy and security (Niu, S., 2011: 86). However, this could not fit the reality and need of economic development in the Middle East, and often results in counterproductive outcomes. The United States' "Greater Middle East Democracy" Project suffered such a serious problem of "acclimatization", and, thus, its desire to create Western

democratic countries in the region eventually failed. The political security dilemma has often resulted from economic problems; serious employment, poverty and other livelihood issues are main causes of the upheavals in the Middle East, and it has become a matter of urgency for the countries in the Middle East to improve people's livelihood. China focuses on cohesion with interests of local people, supporting the ability of independent development. The "Belt and Road Initiative" focuses on overcoming economic "short boards" in infrastructure and capital of the relevant countries in the region, building a strong foundation for economic growth, effectively improving people's livelihood, enhancing the ability of sustainable development, which reflects a clear fundamental goal, "at the same time, changed the situation that the regional countries are treated merely as a source of resources or economic channel, and thus become a less-developed place, which is beyond the unbalanced governance dilemma due to the governance of European and American style" (Mao, Y., 2015: 33).

Secondly, in terms of governance capacity, Western powers have obvious advantages; China only has its own unique advantages in some areas. Western powers have been there for a long time held the dominant position in the Middle East. They are the major trading partners, sources of investment, development aid donor, and the main provider of regional and global economic public goods for most of the countries in the Middle East. In the area of finance, Middle Eastern countries have more significant dependence on the West; Western powers also keep alliance or quasi alliance relationships with many of countries, which provide convenient conditions for Western powers in the Middle East economic governance and endows them with obvious advantages. China, in contrast, has an obviously disadvantage. Its economic ties with the Middle East could be seen still simplistic and fragile. China is a latecomer to the Middle East economic governance, and is not strong in idea, strength, technology, mechanism, ability and

experience, and its influence is still weak compared to Western powers. But China also has its own unique advantages in some areas: for example, it has maintained friendly relations with all the countries in the Middle East, owing to its foreign policy principle of non-interference in the internal affairs of other states, emphasis on the equality, mutual benefit, and common development in cooperation, and international competitiveness in capital, infrastructure construction and mature manufacturing industry. In recent years, it has begun to put forward a more systematic regional governance framework and initiatives, trying to provide public goods and systematic support for the economic development of the region. “The Belt and Road” is such an initiative.

Thirdly, in the field of governance, Western countries have been focusing on the energy and financial issues, while China puts more emphasis on energy, trade and development issues. In order to safeguard their energy, security or hegemonic interests, Western powers have been trying to control the region’s energy resources and exports even through wars; at the same time, they utilize their economic and financial advantages to attract and recycle petrodollars back to Western markets, and control the international oil prices, creating economic dependence of Middle Eastern countries on the Western world. China’s participation in the Middle East economic governance also pays attention to energy issues. However, China desires to jointly safeguard energy supply security, while respecting the leading requests of local countries in terms of energy resources, to carry out exploration in co-dealing with petroleum financing, the reform of the pricing system, and stability of the commodity market. As a big trading country, China has improved the trade conditions and environment of regional countries by signing, among other things, long-term agreements, local investment, and development aid. China, with the strengthening of its development experience and

economic capacity, has carried out long-term assistance towards Middle Eastern countries, focusing on enhancing the sustainable development ability of the target country through infrastructure construction. Reform and opening up, attention to stability, investment, and infrastructure construction are not only China's own development experience and advantages, but also important areas where China can contribute to economic governance in the Middle East. The priority of the "Belt and Road Initiative" is the connection of infrastructure networks, to jointly promote the construction of a cross-regional channel, which is of great benefit for the promotion of economic development in the participating countries, including the Middle East.

Fourthly, in terms of the governance path, the Western countries tends to rely up on pressure and reform from the outside; China puts more emphasis on mutually beneficial cooperation based on the gradual and localized governance. The West usually prefers radical governance while China prefers "progressive" governance (Sun, D., 2015: 92). Due to a long history of connections, regional dominant position and absolute power and psychological superiority, Western powers, when stressing cooperation, tend to adopt the "radical" path with external pressure and forced transformation. They prescribe regional economic development and unilaterally urge or force the countries of the region to carry out economic reform along the Western model. China, in contrast, pays more attention to the mutually beneficial cooperation with Middle Eastern countries, respects a country's own development choice and its position, and tends to adopt the way of gradual localization to participate in the regional economic management. Chinese leaders propose the principles of "jointly build, consult and share" to implement "the Belt and Road". Although China pursues energy and economic interests in the Middle East, it applies no coercion or use of military force; instead, it seeks to achieve its goal through the market mechanism

based on mutual benefit. Though China's Middle East economic governance will inevitably reshape the regional order, it will take a different way compared to the West: it does so mainly through economic methods, such as market docking, integration of interests and development aid, based on mutually beneficial cooperation, which is a gradual localization process from the inside.

Fifth, in terms of governance mechanisms, Western powers rely heavily on multilateral international institutions whereas China is more inclined to use supplementary multilateral mechanisms to bilateral relations. Western powers get involved in economic governance in the Middle East mainly through multilateral international institutions, where they have a dominant position, with the supplement of bilateral mechanisms, and often involve non-economic standards. They carry out assessment and reform proposals for the Middle East through the International Monetary Fund, the World Bank and other economies, and participate in Middle East economic governance through the establishment of multilateral cooperation mechanisms which they control, such as the EU-led "Euro-Mediterranean Partnership" (EMP). For its part, China usually builds a cooperative mechanism based on bilateral relations to participate in regional economic governance which reflects cooperation and the willingness of both sides, and also makes it easy to quickly achieve cooperation results. The China-Arab States Cooperation Forum is an important platform for dialogue and cooperation between China and Arab countries. Under this framework, business conferences, seminars on economic and trade, energy cooperation conferences, and environmental protection cooperation mechanisms, all have rich content and have achieved remarkable results, which has made important contributions to both sides in the fields of economy, trade, investment, energy and other bilateral and multilateral cooperation, hence serving as a model of successful cooperation

among developing countries (Liu, Z., 2014: 35-39). China is also trying to work with international organizations and create new multilateral cooperation mechanisms in order to carry out joint governance with no intention of replacing the existing international mechanisms. It attaches importance to the cooperative docking with the existing mechanisms, which can complement each other and realize mutual cooperation.

Sixth, with regard to the style of governance, Western powers hold a commanding position as “a savior” to guide or transform regional countries, where unilateralism is strong; instead, China puts more emphasis on equality and mutually beneficial cooperation, reflecting the characteristics of regional multilateralism. Western powers regard Middle Eastern countries as objects that are less-developed countries and need Western aid and transformation; they tend to provide guidance or implement unilateral forced transformation, ignoring the wishes, interests and needs of the countries in the region. For example, the economic transformation under the US “Greater Middle East Initiative” is Westernized reform in accordance with the concept of neoliberal economic theory (Liu, S., 2005: 17), which does not apply adequately to the situation of most countries in the Middle East, and will, of course, ultimately result in failure. China, as a developing country, does not have too much historical baggage. It could have better understanding on the economic needs and characteristics of developing countries; China emphasizes equality, voluntary participation and mutual cooperation, respecting the wishes and economic needs of countries in the region and giving full consideration to the development level and load bearing capacity of these countries; it hopes to unite countries in the region to co-participate, instead of forcing or isolating them from regional economic cooperation. The “Belt and Road Initiative” hopes to participate in building an open platform to attract new countries to the maximum extent, and promote common development and

prosperity.

Conclusion

Interests of China is rising to participate in global economic governance in new era. Under the background of the current struggling global economic governance, economic governance in the vast Islamic area, including the Middle East, can become an important breakthrough for China to actively promote the reform of global economic governance. China actively participates in economic governance through “the Belt and Road” as a guide, and the effectiveness of governance will also determine prospects of China’s practice in the global economic governance to a great extent in the future.

China’s participation in economic governance in the Middle East has a very wide range of internal and external influence. Firstly, China’s participation in the Middle East economic governance has improved the economic environment and foreign trade conditions for the development of countries in the region, eased their problems regarding infrastructure, finance, employment and people’s livelihood, enhanced the ability of independent development of the economy, and promoted peace and stability in the region. Secondly, China performs its governance philosophy through participation in economic governance in the Middle East, and further becomes an active participant in the regional and global economic governance process, and also to certain extent turns from acceptor of the rules to a rule maker. At the same time, China displays initiative to invite others to get inspired by its own economic development path, holding positive attitude towards “free riders”. With its policies and actions, China soundly responds to the West’s accusation of “free rider” on China in the Middle East. Finally, China’s participation in the Middle East economic governance can

gradually produce new breakthroughs in shaping rules at the regional level. The new concept of governance, the instauration of a management platform, and the establishment of the governance mechanisms objectively play a role in adjusting and improving global economic governance, and open up a new path to improve and promote the reform of global economic governance.

The “Belt and Road” initiative is strongly improving the economic governance in the Middle East. “The Belt and Road” initiative embodies the characteristics of China’s participation in economic governance in the region, turning China into a more active actor in the areas of economic governance, and even a “shaper”, upgrading the economic governance in the Middle East into a new stage. “The Belt and Road” has a notable economic meaning; it would help to the countries and regions, including the Middle East, enhance the capacity of independent development, and provide a new driving force for economic development in the Middle East. The “Belt and Road Initiative” is committed to improving the level of trade and investment, the establishment of energy, trade, investment and financing mechanisms covering a wide range of sectors, through the AIIB and the Silk Road Fund as the pilots. Its economic cooperation platform brings new opportunities for China’s participation in economic governance in the Middle East, and expands the breadth and depth of Chinese participation the Middle East Economic governance. “The Belt and Road” Initiative adheres to the core ideas of openness, inclusiveness and “win-win”, and could be endorsed the common interests of the regional economic development, renew the past norms, and provide a new model for the Middle East Economic Governance and international economic cooperation. China, through the provision of public goods in “the Belt and Road” and regions along it, could fix the supply shortage of public goods due to the economic stagnation of the US, Japan and Europe, promote the docking and coordination of national development strategies of countries along the Road, and form a cooperation system with the China as the center node of the network (Huang, H., 2015: 139).

Through the construction of “the Belt and Road”, China creates a regional interconnection, the co-construction and sharing of public infrastructure, energy channels and trade platforms, and investment and financing mechanisms, provides international public goods and strengthen the system of supply on an open platform, concept, order and so on, particularly important for Middle Eastern countries which are struggling to develop and lack a high level of regional cooperation.

China needs to sum up the experience in the Middle East economic governance, to enhance ability and effective participation in regional economic governance. The depth and effect of China’s participation in economic governance in the Middle East are dynamically affected by multiple factors: national strength, governance capacity, geopolitics, international environment, and the great power relations will all affect the depth and the effect of China’s participation, but in practice China should pay special attention to four most direct factors, including the correlation of interest, governance capacity, international influence, and difficulty in governance. In the future, efforts should be made to carry out the docking of national strategy and integration of interests with the Middle East countries; strengthen integration of domestic mechanisms and construction of international mechanism; pay great attention to the choice of governance agenda setting and key areas, select key pivot States, create diversified cooperation platform; maintain big power relations, build open and win-win pattern of international governance; focus on shaping the image as a responsible international nation; enhance international appeal; provide international public goods within its capacity, be committed to building a new model of regional economic governance. For example, although the governance is mainly conducted by the government, most specific economic behavior should be in accordance with the rules of the market. Cooperative projects should pursue sustainable economic benefits. Providing more goods, services, infrastructure and development platform for the

Middle East will be encouraged the economic governance of the Middle East region and promote China's discourse power. As an active participant in global governance and a big power that fulfills international responsibility, China needs to develop a more ambitious strategy and a more open mind in Middle East affairs, and constantly improve the moral height of Chinese diplomacy in the Middle East, which grants China's diplomacy with more universal values (Liu., Z., 2013: 51).

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