



MEDITERRANEAN PAPER SERIES 2013

**THE MEDITERRANEAN REGION
IN A MULTIPOLAR WORLD
EVOLVING RELATIONS WITH RUSSIA, CHINA,
INDIA, AND BRAZIL**

Daniela Huber
Vladimir Bakhtin
Li Guofu
P.R. Kumaraswamy
Arlene Clemesha

G | M | F The German Marshall Fund
of the United States

STRENGTHENING TRANSATLANTIC COOPERATION

 **IAI**
Istituto Affari Internazionali

© 2013 The German Marshall Fund of the United States. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or by any means without permission in writing from the German Marshall Fund of the United States (GMF). Please direct inquiries to:

The German Marshall Fund of the United States
1744 R Street, NW
Washington, DC 20009
T 1 202 683 2650
F 1 202 265 1662
E info@gmfus.org

GMF Paper Series

The GMF Paper Series presents research on a variety of transatlantic topics by staff, fellows, and partners of the German Marshall Fund of the United States. The views expressed here are those of the author and do not necessarily represent the views of GMF. Comments from readers are welcome; reply to the mailing address above or by e-mail to info@gmfus.org.

About GMF

The German Marshall Fund of the United States (GMF) strengthens transatlantic cooperation on regional, national, and global challenges and opportunities in the spirit of the Marshall Plan. GMF does this by supporting individuals and institutions working in the transatlantic sphere, by convening leaders and members of the policy and business communities, by contributing research and analysis on transatlantic topics, and by providing exchange opportunities to foster renewed commitment to the transatlantic relationship. In addition, GMF supports a number of initiatives to strengthen democracies. Founded in 1972 as a non-partisan, non-profit organization through a gift from Germany as a permanent memorial to Marshall Plan assistance, GMF maintains a strong presence on both sides of the Atlantic. In addition to its headquarters in Washington, DC, GMF has offices in Berlin, Paris, Brussels, Belgrade, Ankara, Bucharest, Warsaw, and Tunis. GMF also has smaller representations in Bratislava, Turin, and Stockholm.

About the Mediterranean Policy Program

The Mediterranean Policy Program promotes transatlantic analysis and dialogue on issues affecting Southern Europe, North Africa, the Levant, and the Mediterranean basin. Priority areas include: understanding trends in Mediterranean societies; exploring opportunities for south-south cooperation and integration; research on key functional issues affecting Mediterranean security and development; and strengthening the North American policy debate on the region and transatlantic cooperation on Mediterranean strategy.

About Istituto Affari Internazionali

The Istituto Affari Internazionali (IAI), founded by Altiero Spinelli in 1965, does research in the fields of foreign policy, political economics, and international security. A non-profit organization, the IAI aims to disseminate knowledge through research studies, conferences, and publications. To that end, it cooperates with other research institutes, universities, and foundations in Italy and abroad and is a member of various international networks. More specifically, the main research sectors are European institutions and policies, Italian foreign policy, trends in the global economy and internationalization processes in Italy, the Mediterranean and the Middle East, defense economy and policy, and transatlantic relations. The IAI puts out an English-language quarterly (*The International Spectator*), an online webzine (*Affari Internazionali*), a series of research papers (Quaderni IAI) and an Italian foreign policy yearbook (*La Politica Estera dell'Italia*).

Cover photo: Brazilian President Dilma Rousseff (front L), Russian President Dmitry Medvedev (front C), Chinese President Hu Jintao (front R), Indian Prime Minister Manmohan Singh (back L) and South African President Jacob Zuma (back R, unseen) walk prior to posing for a picture during the BRICS summit in New Delhi, India, March 29, 2012.

© EKATERINA SHTUKINA / RIA NOVOSTI / KREMLIN POOL/epa/Corbis

THE MEDITERRANEAN REGION IN A MULTIPOLAR WORLD
EVOLVING RELATIONS WITH RUSSIA, CHINA, INDIA, AND BRAZIL

MEDITERRANEAN PAPER SERIES

FEBRUARY 2013

Vladimir Bakhtin,¹ Arlene Clemesha,² Li Guofu,³
Daniela Huber,⁴ and P.R. Kumaraswamy⁵

Foreword	
<i>Daniela Huber</i>	<i>iii</i>
Russia: Returning to a Stable Presence	
<i>Vladimir Bakhtin</i>	<i>1</i>
China: An Emerging Power in the Mediterranean	
<i>Li Guofu</i>	<i>11</i>
India: Overcoming the Distant Dilemma	
<i>P.R. Kumaraswamy</i>	<i>21</i>
Brazil: Newcomer to the Region	
<i>Arlene Clemesha</i>	<i>27</i>

¹ Researcher, World Economy and International Business Department, Financial University, Moscow.

² Professor of Arab History at the University of São Paulo (USP) and Director of the Center for Arab Studies, USP.

³ Senior Research Fellow, China Institute of International Studies (CIIS), Beijing.

⁴ Researcher, Mediterranean and Middle East Programme, Istituto Affari Internazionali, (IAI), Rome.

⁵ Professor, Center for West Asian Studies, Jawaharlal Nehru University, New Delhi.

FOREWORD

DANIELA HUBER

With the United State's unipolar moment waning, the global power structure is changing. Nowhere is this felt more acutely than in the Middle East and North Africa (MENA). As the United States was withdrawing from Iraq, protests in the Arab world peaked, turning into a revolutionary wave that swept across North Africa, the Middle East, and the Gulf and that represents the most significant transformation in the region since decolonization. New power constellations are emerging and new leaders — spearheaded by Turkey, Egypt, and Qatar — are not only seeking to establish a more independent foreign policy, but also to assume more responsibility for their region.

Taking advantage of a changing global power structure, Egyptian President Mohamed Morsi revealed his own “pivot to Asia” when he chose China as his first trip outside the Arab world. Indeed, not only are rising powers such as Brazil, Russia, India, and China (BRIC) playing an increasingly important role on the world stage, but — especially since the 2000s — they are also (re)entering the East and South Mediterranean region, as explored in this report.¹ Russia, after an interruption caused by the disintegration of the Soviet Union, is returning as a stable and significant presence in the region. China also represents a growing power in the MENA, while India is an aspiring power that still has to overcome its “distant dilemma” toward the Mediterranean. Brazil is a complete newcomer to the region, but is slowly making its presence felt.

How are these emerging powers' political, economic, and social interests in and ties to the region evolving? How have these been affected by the Arab uprisings? And what does this mean for transatlantic interests in the region? These are the three central question that four authors — Vladimir

¹ Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, the Occupied Palestinian Territories, Syria, and Tunisia.

Bakhtin on Russia, Li Guofu on China, P.R. Kumaraswamy on India, and Arlene Clemesha on Brazil — address.

Interests and Relations

Energy ranks among the most important interests in the region for all emerging powers, particularly for energy dependent countries like China and India. While the Gulf is more vital than the rest of the region in this respect, these new powers have also invested in Algeria and Libya, and to a lesser extent in Egypt and Syria. Russia, a major net oil exporter, is interested in the fields of prospecting, extraction, transportation, and trade, with investments mainly in Algeria and Libya. Brazil, largely energy independent, has also started to access the Libyan oil and gas sector.

But economic cooperation is also emerging in other fields. Russia, China, and Brazil are all seeking to enhance trade with the region through diverse bilateral and multilateral platforms. In 2004, China set up the China–Arab States Cooperation Forum (CASCF) to discuss political, economic, and security issues are discussed. The amount of bilateral trade between China and the Arab states grew rapidly from US\$36.7 billion in 2004 to \$200 billion in 2011. Russia has set up bilateral intergovernmental committees for economic, trade, and scientific cooperation, and a Russian–Arab Business Council has been established to facilitate economic interaction and trade. Russian trade with the South Mediterranean region, not least in the area of arms, has grown from \$2.45 billion in 2000 to \$10.83 billion in 2010, even though the total share of the Mediterranean region is still rather insignificant in Russia's overall foreign trade. As for Brazil, the main platform for promoting diplomatic, commercial, scientific, and cultural relations with the region is the South American and Arab Countries Summit, which was established in 2005. Under the framework of Mercosur, Brazil has signed free trade agreements (FTAs)

with Israel, Egypt, and Palestine, and preferential trade agreements with Syria and Jordan. FTAs are currently also being negotiated with Morocco and the Gulf Cooperation Council (GCC). Nonetheless, as Clemesha points out, despite the Brazilian government's efforts, the Arab countries absorb only a small portion of Brazilian international exports. Also India, as Kumaraswamy argues, has not yet used the full potential of its economic clout in the region. Unlike the other emerging powers, it lacks a regional strategy and therefore approaches countries in the region solely bilaterally.

India has, however, established robust trade relations with Israel since the 1990s, and China, and Russia and Brazil have also intensified their relations with the Jewish state. This means a major turnaround in the position of all emerging powers toward Israel since the Cold War. How can this be explained? Besides interest in Israeli military technology, this U-turn is mainly driven by their search for big power status at the global level. It is a matter of prestige to be accepted as a mediating actor in the major conflict of the region — the Israeli-Palestinian conflict — as well as in the Israeli-Iranian conflict. In order to undertake mediation in these conflicts, countries have to normalize relations with Israel to some degree. Thus, all four countries have detached their economic relations with Israel from the peace process, just as the United States and Europe have done. At the same time, they remain rather critical of Israel on questions like settlements, and more supportive of Palestinians in their search for self-determination, as became clear when all BRIC states voted in favor of the PLO's membership in the United Nations Educational, Scientific and Cultural Organization (UNESCO) and observer status in the United Nations (UN). Regarding Iran, all four emerging powers share the West's concern over a potential Iranian non-civil nuclear program, but believe that negotiations constitute the only feasible route to a solution.

The Impact of the Arab Spring

The BRICs reacted cautiously to the so-called “Arab Spring,” with Russia in the lead. While all actors have suffered some economic damage from the uprisings, Moscow's stakes in the Mediterranean are higher than the rest. The East Mediterranean countries are relatively close to the Commonwealth of Independent States (CIS) and Russia fears that the wave of Arab uprisings could reach Central Asia shores. Furthermore, Moscow views political Islam critically, fearing its radicalization and an ensuing influx of fundamentalist ideas into its neighborhood. Most disconcerting in this respect from a Russian perspective is the Syrian crisis. Syrian President Bashar al-Assad has not only been a central strategic partner for Russia, but Moscow fears that the country will disintegrate, destabilize the whole region, and provide a base for terrorism if al-Assad is overthrown.

China and India's immediate concern was instead for the safe evacuation of their citizens from troubled zones. Only when this objective was met did they articulate more comprehensive positions and policies toward the Arab Spring countries.

The positions of all BRIC states have been influenced by the principle of non-intervention for which an exemption can be made only in case of a regional consensus in favor of intervention. This became clear in the case of Libya, when all the BRICs abstained on UN Security Council Resolution 1973, which established a no-fly zone supported by the Arab League.² Since the resolution was then used by the North Atlantic Treaty Organization (NATO) to enforce regime change, all BRICs cited this as the cause of their veto (or abstention) regarding several proposed UN Security Council resolutions on Syria. All four actors have undertaken their own actions to solve the Syrian crisis: Brazil and India together with

² It should be noted that the fifth BRICS – South Africa – voted in favor of the resolution.

South Africa in a United Nations Security Council (UNSC) delegation, China through its own four-point proposal, and Russia through its attempted mediation between opposition representatives and the Assad regime.

However, the Arab Spring is perceived not only as a challenge by the emerging powers, but also as an opportunity to develop ties with the region. All countries have officially accepted the newly elected rulers, especially of a regional key state like Egypt. Going further, China, Brazil, and India believe that their development models or transition paths could be possible models for the Arab Spring states to emulate. As all three authors point out, however, these models should not be imposed, but freely chosen by the people.

Implications for European and Transatlantic Interests

The United States is gradually withdrawing from the Middle East and North Africa, while new actors are (re)entering the region. Rather than a challenge, this changing geopolitical composition could become an opportunity from a transatlantic perspective. This study has shown that there are some areas where interests converge, specifically regarding energy, economic relations, and security interests. Vladimir Bakthin points out that Russian and European interests in the oil and gas industry in North Africa intersect, and calls for greater cooperation. Furthermore, for Russia, preferential trade agreements that bind some of the Mediterranean states to the EU and the United States represent a potential access point for third parties, including Russia, to the large and young consumer markets in the Mediterranean region.

Regarding the Arab uprisings, the BRICs broadly share similar interests to the West, such as containing spill-over from the Syrian conflict to the entire region and preventing the radicalization of the Mediterranean. Regarding the North African Spring states — Egypt, Tunisia, and Libya — there is much potential for Western–BRIC cooperation in supporting sustainable transition processes there. Global multilateral forums such as the G20 or local variants such as enlarged versions of the EU Task Forces for specific Mediterranean countries or a reformed Union for the Mediterranean could be used to coordinate effective economic and technical assistance for these countries through the establishment of a common financial framework.

Indeed, in an increasingly globalized Mediterranean, the EU could consider adding a global dimension to a reformed Union for the Mediterranean by including the emerging powers, as well as the United States and the Arab League, as permanent members in these institutional structures, thus turning it into a forum for exchange on economic and security issues. The Syrian crisis best exemplifies the need for such a forum. Cooperation between the West and the BRICs — Russia specifically — would be a first crucial step toward ending the Syrian civil war. At the global level, it is Western–Russian competition that, coupled with the regional Gulf–Iranian and local intra-Syrian disputes, keeps this violent conflict running. The West and Russia therefore have to find a clear common formula to pressure the warring parties into negotiations and assure that the regional and local actors comply as well.

1

RUSSIA: RETURNING TO A STABLE PRESENCE

VLADIMIR BAKHTIN

Russia's current interests in the Mediterranean region have been formed by a long history of bilateral and multilateral relations.

African and Arab countries played an important role in the foreign policy of the Russian Empire and the Soviet Union. The USSR's relations with some Mediterranean countries were to a large extent based on the Soviet Union's support for decolonization,¹ but also characterized by a high level of Soviet participation in large infrastructure projects. The USSR helped erect and operate such structures as the Aswan Dam in Egypt, the El-Hadjar Metallurgical Plant, Beni-Zid and Tilezdit Dams in Algeria, and many others in Morocco, Libya, and Tunisia.² Furthermore, the USSR exported armaments to the Arab countries, with Libya being the largest importer. Despite this successful and long-standing economic collaboration, the disintegration of the USSR resulted in an interruption of links with the Arab world and it was not until the end of the 1990s that Russia started to return to the region.

Evidently, Russia's Mediterranean policy has now lost the ideological content Soviet policies used to have. This has been a pre-condition for establishing fruitful economic cooperation based on mutual interests. At the same time, the new Russian policies tend to build on the real economic achievements of the Soviet era. In particular, Russia has been regaining importance in such areas as energy, irrigation, infrastructure, and armaments. Furthermore, Russia enjoys social links to the region. The confessional makeup of the Russian population and the large number of

Russian descendants living in the region provide a strong impetus for Russia to develop cultural and religious relations with the regional states as the main Christian, Muslim, and Jewish holy shrines are situated there.³

Russia's political presence in the region has been stable in the last few years, particularly after President Vladimir Putin's official visits to key countries in the region such as Egypt, Israel, the Palestinian Authority, Algeria, and Morocco in 2005 and 2006. One of the key priorities of Russia's foreign policy in the region is to manage its multidimensional security issues, including regional conflicts, proliferation, terrorism, and energy, as well as environmental issues and contagious diseases, by working together with the countries of the region through the United Nations (UN) and other specialized organizations for regional crisis and conflict prevention and resolution.⁴ Indeed, the Mediterranean region has again become a strategic priority for the Russian Ministry of Foreign Affairs due to its immediate proximity, its international importance, its enormous mineral resources (primarily oil and gas), concerns conditioned by extreme population growth, and current as well as potential religious and tribal conflicts. An analysis of today's geopolitical and geoeconomic situation both in the Mediterranean and in Russia reveals that the following factors determine Russia's interests in the Mediterranean region:

- a strategic presence in the region;

¹ See Galina K. Prozorova, *Russia and the Countries of the Near East, Middle East and North Africa. Problems and Prospects of Cooperation. A collection of articles* (in Russian), Moscow, East-West, 2009, p. 54.

² See Vladilen I. Gusev, *Post-Soviet Russia's Economic Ties with the Arab World* (in Russian), Moscow, Institute for Oriental Studies of the Russian Academy of Sciences/Institute for Israeli and Middle Eastern Studies, 1997, pp. 34-35, http://www.iimes.ru/rus/book/1997/sbor/r97sbor_1.zip.

³ Exact figures are not available, but primarily the following groups of Russian descendants should be taken into account: over 1 million former Soviet and Russian citizens in Israel, tens of thousands of Russian women married to Mediterranean citizens, as well as Russian Muslims who have left the North Caucasus. See Yevgeny Y. Satanovsky, *Russia and the Middle East. A Cauldron of Trouble* (in Russian), Moscow, Eksmo, 2012, p. 249.

⁴ See Galina K. Prozorova, *Russia and the Countries of the Near East, Middle East and North Africa* (in Russian), cit., p. 20.

- relative proximity of the East Mediterranean countries to the borders of the Commonwealth of Independent States (CIS);
- possible inflow of terrorists and religious fundamentalists from the region to the North Caucasus; and
- economic and trade cooperation achievements and prospects.

Key Security Issues for Russia in the South Mediterranean Area

Russia is deeply concerned with problems associated with the spread of radical Islam and the internationalization of terrorism. The rise of radical Islam that has been triggered by the Arab Spring may pose an additional threat to Russia's security by boosting terrorist activity. In Russia, the terrorists' stronghold is in the North Caucasus, especially in Chechnya, but other parts of the country are also increasingly involved in terrorist activity. Wahhabi preachers are infiltrating moderate Islamic circles in Russia's Muslim regions, primarily in Tatarstan, in order to recruit youth and put down new roots for their activity.

As far as international terrorism is concerned, in the last decade Russia has been worried most by terrorist group activity in Afghanistan and Pakistan that to some extent fuels extremism in the North Caucasus as well as in the Central Asian republics — Uzbekistan, Tajikistan, Kyrgyzstan, and Kazakhstan. In addition to that, drugs flowing into Russia from Afghanistan via Central Asia are another serious threat to the country's national security. An unprecedented increase in opium production in Afghanistan coupled with domestic problems turned Russia into the leading consumer of heroine by 2009, making a stable Afghanistan

and Pakistan that can counter these trends a necessity for Moscow.⁵

Two other long-standing issues in the region with important implications for Russia are the international situation associated with Iran's nuclear program and the Israeli–Palestinian conflict. The probable production of nuclear weapons by Iran is absolutely undesirable for Russia in that it might ignite a weapons of mass destruction (WMD) race in a region very close to the CIS' borders. This is why Russia is willingly collaborating with other states on the issue. However, a military solution to the problem is also unacceptable for Moscow, since this could cause a major war in an already highly unstable region. Russia is lobbying instead for a political solution to all issues related to Iran through negotiations, which Moscow believes are more likely to lead to a resolution of the conflict than coercive measures. At the same time, both Russia and Iran are interested in developing bilateral cooperation for purely economic reasons. Russia has a record of successful cooperation with Iran, including the construction of the Bushehr nuclear power plant for peaceful use of atomic energy launched in 2011 and arms delivery limited to those weapons not falling under international restrictions.

The other crucial long-standing issue in the region is the Israeli–Palestinian conflict. Russia has traditionally had a significant influence on the conflict. The USSR/Russia has sided with either Israel or Palestine at different points and on different issues. It has eventually become an internationally recognized co-sponsor in the Middle East peace process by maintaining a neutral balanced position. Russian diplomats try to help promote Israeli–Palestinian dialogue, since Russia is a member of the Middle East Quartet.

⁵ Natalia Burlinova, "War in Afghanistan (2001-2011): Overview and Perspectives" (in Russian), *Perspectives*, July 1, 2011, http://www.perspektivy.info/oykumena/amerika/vojna_v_afganistane_2001__2011_gg__obzor_i_perspektivy_2011-07-01.htm.

In addition, it has ties with the Arab world and has acquired observer status at the Organization of Islamic Cooperation (OIC). Always keeping an eye on the situation in the Gaza Strip, Russia has supported the foundation of an independent Palestinian state and the inclusion of all Palestinian forces capable of conducting negotiations with Israel in peace talks.⁶ Since conflict settlement requires the resolution of a wide range of problems, Russia advocates the invitation of all the key regional players to participate in the negotiations.

Finally, the importance of Syria for Russia should be mentioned here, too. The strategic interests of Russia in Syria can be summarized as follows:

- political interests: Syria has been an ally of Russia in the Middle East to date and Moscow has always been able to rely on Damascus in pursuit of its policies in the Middle East;
- military interests: the Syrian port, Tartus, is very important for the Russian military presence in the Middle East and generally outside the country;
- economic interests: Syria is a relatively large market for Russian armaments; it also offers other economic opportunities, such as infrastructure projects; and
- humanitarian interests: approximately 30,000 Russian citizens live in Syria, a figure that does not include their children, who could also apply for Russian citizenship. In this case the number would likely exceed 100,000 people.⁷ The Syrian political regime is a secular regime that has

guaranteed freedom for Christians' religious expression in the region.

Russia's Economic Cooperation and Trade with Mediterranean Countries

Three factors determine Russia's economic cooperation and trade with Mediterranean countries. First, some of them still have outstanding debts, the payment of which Russia has been waiting for since the fall of the Soviet Union. This problem requires an efficient and well thought out approach to debt re-engineering.

Second, the Mediterranean region is blessed with relatively cheap labor resources that considerably boost returns on investments. The region is potentially a relatively large market for Russian exports. At the same time, the region's proximity to the EU as well as the preferential trade agreements that bind some of the Mediterranean states to the EU and the United States create a foothold for third parties, including Russia, wishing to access the largest consumer markets in the world.

Third, Russian statesmen and businessmen take a special interest in some regional industries and activities, such as oil and gas extraction and transportation, agriculture and irrigation, atomic energy, infrastructure projects, education, high tech, banking, and tourism.

It should be noted that the oil and gas industry is undoubtedly the most significant and strategic sector in the Mediterranean economy. Many Russian researchers find that the Russian Federation has all the necessary technologies and resources to develop and improve interaction with Mediterranean partners (especially Algeria and Libya prior to the Arab Spring) in this area.⁸ This interaction could be in the fields of prospecting,

⁶ "The Foreign Policy Concept of the Russian Federation, "approved by Dmitry A. Medvedev, President of the Russian Federation, on July 12, 2008, <http://www.mid.ru/bdomp/ns-osndoc.nsf/1e5f0de28fe77fdcc32575d900298676/869c9d2b87ad8014c32575d9002b1c38>.

⁷ Vladimir Inyutin, "Russia Abandons Its Citizens Amid Battle Action in Syria" (in Russian), *NR2 New Russia*, August 2, 2012, <http://www.nr2.ru/moskow/397667.html>.

⁸ See Sergey G. Luzianin, *Eastern Policy of Vladimir Putin. Russia's Return to the "Big East"* (in Russian) 2004-2008, Moscow, East-West, 2007; Aleksandr Shumilin, *Energy Strategy of Russia and the U.S.* (in Russian), Moscow, International Relations, 2008.

extraction, transportation, or trade. The latter is considered the most promising. For instance, Shumilin indicates that an increase in oil and gas consumption in India and China will inevitably lead to an overload of the existent transportation infrastructure. Thus the development of new pipelines and new delivery routes will be required. Here Russia could play a vital role in collaboration with Mediterranean “hydrocarbon powers.”

Furthermore, the oil and gas industry is the one in which the interests and ambitions of Russia (as the largest exporter) and the European Union and the United States (as the largest importers) intersect. Thus, the sector could and should be an area of intense cooperation. Such cooperation would accord with regional interests. Algeria is a good example. After much bloodshed, the country has gradually been recovering its position in the world economy and geopolitics. It has managed to develop collaboration with the hydrocarbon importers — the EU and the United States — as well as efficient interaction with Russia. Following President Putin’s visit to Algeria in March 2006, Gazprom managed to get a special agreement with the Algerian Sonatrach (which accounts for 95 percent of export income and generates 77 percent of the country’s budget income)⁹ for oil prospecting in the Sahara.¹⁰

Before the events of 2011, Libya hosted the Russian Lukoil’s biggest African operations. Lukoil had a representative office there and pursued all relevant government tenders. Tatneft was another player in the Libyan market; it acquired 3 out of 14 contracts for developing the Ghadames and Sirte oil fields. Prior to the Arab Spring, Lukoil (since 2004) and Novatek (since 2008) were also prospecting for new

⁹ See Vladislav V. Senkovich, “Algeria: ‘risk/return’ for investors” (in Russian), *Asia and Africa Today*, No. 9, 2011, pp. 48-53.

¹⁰ See Galina K. Prozorova, *Russia and the Countries of the Near East, Middle East and North Africa* (in Russian), cit., p. 173.

deposits in Egypt. Lukoil used to extract around 4.76 million barrels per year.¹¹

There are also other areas of economic cooperation. For example, Egypt’s imports of grain are mainly from Russia. In 2010, a Russian mobile provider Vimplecom announced the acquisition of the Algerian Orascom assets for \$6.5 billion.¹² A method worth noting with regard to stimulating economic and trade relations between Russia and the Mediterranean countries Internet forums and trade expositions.¹³ In November 2010 and October 2011, two expos of Russian goods and services were organized in Algeria. A third similar expo is scheduled for October 2013.¹⁴

Furthermore, in order to improve economic cooperation, Russia seeks to set up its companies’ presence in the region’s special economic zones (which have low taxes and other benefits for foreign investors). Such zones have already been established in Syria, Jordan, Lebanon, Egypt, Tunisia, and Morocco. However, it is expected that the Arab Spring may somewhat change this “pre-revolutionary” situation.¹⁵ In terms of Russia’s general interaction with the Arab countries of the Mediterranean region, a prominent role is assigned to the bilateral intergovernmental committees for economic and trade and scientific cooperation,

¹¹ “Trade and Economic Relations between Russia and Egypt. Round Table with RIA Novosti on the Situation in Egypt” (in Russian), *RIA Novosti*, February 1, 2012, <http://ria.ru/spravka/20110201/329005836.html>.

¹² “Vimpelcom closes a deal with Wind Telecom” (in Russian), *Cyber Security*, April 15, 2011, <http://www.cybersecurity.ru/telecommunication/120566.html>.

¹³ See, for example, the Russian-Tunisian Business Council, http://www.rus-tunis.com/index_e.shtml.

¹⁴ For more information on the expo (in Russian), see the website of the Algerian Embassy in Moscow: http://www.algerianembassy.ru/Ambassade_ru.htm.

¹⁵ See Aleksei M. Vasiliev and Aleksandr A. Tkachenko (eds.), *Russia in the Middle East and North Africa in the Era of Globalization* (in Russian), Moscow, Institute for African Studies of the Russian Academy of Sciences, 2011, p. 24.

and to the Russian-Arab Business Council, charged with facilitating and stimulating economic and trade relations between the Russian Federation and Arab countries.¹⁶ The latter has proved to be an efficient tool for establishing links at the company level and collecting, analyzing, and disseminating commercial information.

The Mediterranean region is made up of Muslim-majority countries, with one exception: Israel. This country is very special from a Russian point of view. Although over 1 million Soviet descendants, many of whom have not given up their Russian citizenship, live there, and despite the mutual cultural past and large number of Russian Orthodox pilgrims going to the Holy Land each year, bilateral relations with Israel were far from promising until the second decade of the 2000s. As E. Satanovsky put it, the beginning of the 2010s marked a breakthrough in Russia-Israel relations in the field of military cooperation and high technologies.¹⁷ The countries reached an agreement for the acquisition of Israeli unmanned aerial vehicles (UAVs) by the Russian army and for the construction of a factory for their in-country production. The Russian corporations Rosnano (nanotechnologies) and Skolkovo Fund (innovations and high tech, information, space and telecommunications, biomedical, energy-efficient, and nuclear technologies) have started developing cooperation with Israel. Furthermore, Russia is also cooperating with Israel, as well as Cyprus in exploiting new gas discoveries in the Eastern Mediterranean. Turkey, however, is also claiming rights to the Cypriot maritime Exclusive Economic Zone, which has put the country at loggerheads

with the shared interests of Israel, Russia, and Cyprus on the issue.¹⁸

According to UNCTAD statistics, the value of Russian-Mediterranean goods turnover (both exports and imports) in 2000 totaled \$2.45 billion with Israel (accounting for 40 percent of Russia's total trade with the region), Egypt (13 percent), and Morocco (13 percent) dominating the scene. By 2011, the picture had changed slightly. While total turnover stood at \$10.83 billion and Israel accounted for 23 percent of the volume, Egypt's and Morocco's shares had grown to represent 23 percent and 21 percent respectively. Tunisia had also come closer to the leaders with a share of 11 percent. Other countries did not play any significant role in Russia's trade relations with the region. However, it should be noted that the total share of the Mediterranean region in Russia's overall foreign trade (in goods) is insignificant (0.04 percent in 2000, 0.06 percent in 2011). The share of Russia in the Mediterranean countries' foreign trade is not significant either (not exceeding 3 percent). Despite its relative insignificance, the volume of total trade in goods with Mediterranean countries increased over four times in the 2000-2011 period (see Graph 1).

In sum, by 2010 Russia had restored or established adequate economic or political links with all the major stakeholders in the region:¹⁹ Iran, Syria, Saudi Arabia, Egypt, Qatar, Iraq, and Afghanistan, as well as Israel, Fatah, Hamas, and Hezbollah. However, the Arab Spring has either destroyed or posed a threat to most Russian achievements.

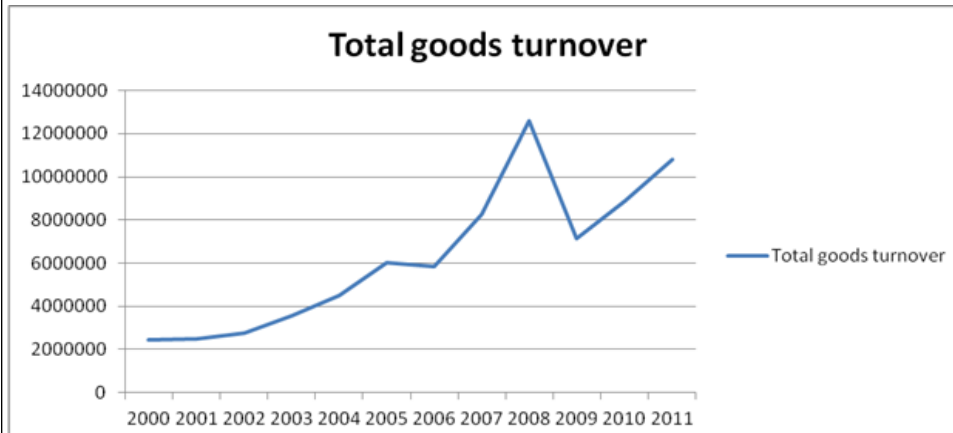
¹⁶ Based on the agreement signed between the Chamber of Commerce and Industry of the Russian Federation and the General Union of Chambers of Commerce, Industry, and Agriculture for Arab Countries in 2002.

¹⁷ See Yevgeny Y. Satanovsky, *Russia and the Middle East* (in Russian), cit., p. 249.

¹⁸ See Michael Emerson, "Fishing for Gas and More in Mediterranean Waters," *Global Turkey in Europe Policy Brief*, No. 2, 2012, http://www.iai.it/pdf/GTE/GTE_PB_02.pdf.

¹⁹ See Mark Katz, "Moscow and the Middle East: Repeat Performance?," *Russia in Global Affairs*, Vol. 10, No. 4, July-September 2012, <http://eng.globalaffairs.ru/number/Moscow-and-the-Middle-East-Repeat-Performance-15690>.

Graph 1. Total Trade of Russia with the Mediterranean Region



The Impact of the Arab Spring

The political reaction of Moscow to the events in Tunisia and Egypt can be characterized by the words of Russian Minister of Foreign Affairs Sergey Lavrov: “no one can make an accurate prediction.” He called those events an “expected surprise.” It was “expected because the problems had been piling up for many years, first of all social and economic problems [...] The ruling regimes that in many countries had ruled the state for decades and had acquired considerable experience, must have ceased to realize what was really going on in the country and what the population actually felt.”²⁰

While highlighting the need to stop violence and restore peace and stability in Tunisia and Egypt, Russia welcomed the parliamentary election in Tunisia in October 2011, which the Ennahdha party won, and the presidential election, which brought in Moncef Marzouki as the new head of state. Similarly in Egypt, Russia readily interacted with Egypt’s Supreme Council of the Armed Forces and the country’s politicians, including probable candidates for the presidency. Later on, Russia

²⁰ See the interview of Russian Foreign Minister Sergey Lavrov with V. Solovyov, 3channel, March 13, 2011 (in Russian), http://www.mid.ru/bdcomp/Brp_4.nsf/arh/E35AC8110082ABCB-C3257852004AF20E.

The fall of authoritarian regimes and an increasing proportion of Islamists in power should not be and is not considered an impediment for furthering fruitful collaboration with traditionally friendly states. Rather there is a lot of space for improving and expanding interaction with these countries as long as moderate political Islam does not become radical and as long as North African radicalism does not spill over into Russia and its neighboring states.

On the other hand, the Arab revolts, particularly events in Libya, caused serious economic damage to Russia. In 2008, the Russian Railroads Company (RZD) had begun building a 500 kilometer railroad between Sirte and Benghazi, linking these cities to Egypt and Tunisia (the total value of the project stood at €2.2 billion; 70 percent of the equipment required would be acquired in Russia). RZD had almost completed the preparatory work when the military conflict broke out and the construction had to be halted.²¹ In addition, the benefits that Russia obtained by writing off Libya’s debt of \$4.5 billion were negated.

²¹ Svetlana Subbotina, “RZD May Get Back to Building Railroads in Libya” (in Russian), *Life News online*, November 10, 2011, <http://lifenews.ru/news/74273>.

recognized that the parliamentary and presidential election results revealed the rise of political Islam.

Russia supports the democratic choice of the people of Tunisia and Egypt and is willing to deepen cooperation with these countries.

In its political reaction to the events in Libya, Moscow abstained (along with China, India, and Germany) in the Security Council Resolution 1973 vote, thus showing a pragmatic approach as the country arguably tried to retain its popularity in the Muslim world. At the same time, Russia did not decisively contradict the West (in contrast to the usual standpoint of the USSR). According to Sergey Lavrov, one of the reasons why Russia let the resolution pass while not voting for it was the absence in the document of clear “limits” regarding the “use of force.”²²

The future for Russian–Libyan economic cooperation is somewhat vague. The country lacks a single legitimate power supported by the overwhelming majority of the population. The newly formed government has been sworn in under tight security following violent scenes. A leading Russian expert on the Middle East and North Africa, Yevgeny Primakov, believes that it is hardly possible to neutralize the tribes and groups that supported Colonel Muammar Gaddafi or make them obedient in the near future. Thus, the prospect of further conflict escalation cannot be excluded. In addition to that, the destiny of the above-mentioned Russian projects is unclear. Russia’s economic interaction with Libya will, to a large extent, depend on the political will of the new Libyan government.

The Arab revolts also suspended Russian–Syrian economic relations to some degree.²³ As a result of a concerted political effort, Syria, along with Algeria, had become a strategic foothold for Russia, allowing it to strengthen its political and economic positions in the region and the Arab world. The

²² Interview of Russian Foreign Minister Sergey Lavrov (in Russian), *Moskovskiy Novosti*, May 12, 2011, http://www.mid.ru/bdcomp/brp_4.nsf/e78a48070f128a7b43256999005bcbb3/b16f5e51d8e02230c325788f001c7496.

²³ Arms trade has not been suspended, but the Russian authorities have only acknowledged exports of defensive arms to Syria.

official visit of Syrian President Bashar al-Assad to Moscow in 2005 was particularly important for restoring Russian positions in Syria.

Since the outbreak of the Syrian conflict, Russia, along with China, has resisted the prospect of foreign intervention. The core strategy pursued by these two UN Security Council members is to resolve the crisis within the UN system, thus keeping it fully functional with regard to Syria. That position was also intoned at the Shanghai Cooperation Organization meeting in June 2012. The Russian Ministry of Foreign Affairs has repeatedly stressed that the Syrian conflict can only be resolved through dialogue between the ruling regime and the opposition. Russia has vetoed UN Security Council resolution drafts on Syria because they contradicted the idea of dialogue and would have violated Syrian sovereignty. Bearing in mind the recent events in Libya and the consequences of UN Resolution 1973, Russia is not willing to let a similar scenario take place in Syria.

The Russian Federation proposed an alternative resolution in the UN Security Council, based primarily on Kofi Annan’s six-point plan and the final communiqué of the Action Group for Syria as of June 30, 2012. However, that alternative resolution was rejected. Now that the situation has worsened, Russia is still trying to facilitate dialogue between the combating parties. A group of Syrian opposition representatives visited Moscow at the end of November 2012. The Russian Ministry of Foreign Affairs expects that other similar delegations may follow.²⁴ Head of the Kremlin Administration, Sergey Ivanov, said in an interview that Russia supports the idea of another round of Syrian talks, the so-called “Geneva-2” talks, but

²⁴ “Russian’s Ministry of Foreign Affairs is Going to Receive Delegations of the Syrian Opposition in Moscow Again” (in Russian), *Rossiyskaya Gazeta*, December 3, 2012, <http://www.rg.ru/2012/12/03/siria-anons.html>.

indicated that this does not mean any change in the Russian position regarding the Assad regime.²⁵

Future Challenges for Russian Foreign Policy in the Southern Mediterranean

Russia is undoubtedly interested in a stable Mediterranean region with which to develop mutually profitable relations. At the moment, it is hard to make long-term forecasts since possible future regime scenarios for the Mediterranean countries encompass numerous options including military dictatorships, slight democratization under the auspices of moderate Islam, or innovative forms of the Iranian model. When the dust has settled, the Arab Spring will not just have brought down certain dictators, monarchs or clans, but will also have changed the overall ruling system as we know it.²⁶ While clear forecasts cannot be made, one can summarize the factors that will likely determine evolving regime patterns and that are crucial for a Russian view of the region.

Firstly, the “mercuriality” or fluidity of borders implies further destabilization.²⁷ The contemporary Mediterranean states were created for the most part on “the ruins of colonial empires.” Today, these borders are questioned by many tribes, clans, and even nations (e.g. the Kurds) in the region. The Sudanese referendum that gave birth to a new separate state — South Sudan — has, as

E. Satanovsky put it, “triggered separatist trends in the Middle East and to a significant extent in Africa.”²⁸ The logic is very simple: if South Sudan was recognized by the international community why not “give it a try” elsewhere, too. Libya might be such a case. There are many signs that further destabilization in this North African country will ruin the peaceful tribal links within Libyan territory (if it has not already done so) and export this trend to the whole of North Africa and parts of Western Africa. The Syrian case is even more alarming. If the regime of Bashar al-Assad is overthrown, the country may very well disintegrate because there is no alternative power to pull the highly stratified Syrian society together. A further aggravation of the political situation in the country will likely damage the existent “confessional make-up in the Middle East and totally destabilize the region.”²⁹ The process of de-Christianization that has been manifested since the Arab Spring started is another reason for Russia’s deep concern. The secular regimes with authoritarian leaders in the Middle East and North Africa used to be guarantors of the safety of religious minorities. Now that they are gone or about to go, the region that was the cradle of Christianity may lose its religious diversity.

Secondly, political Islam is on the rise as is the presence of fundamentalists in power. The processes the world is witnessing in the Mediterranean region are far from similar to those of the era following the fall of the Berlin Wall. The East European political movements were fighting for democracy in the sense Westerners usually ascribe to that word. In the Mediterranean region, it is political Islam that is on the rise in Egypt, Tunisia, and Libya, as well as other countries and that might aim at a different form

²⁵ “Moscow Concerned Over the Syrian Opposition Possessing Libyan MANPADS” (in Russian), *RIA Novosti*, November 30, 2012, http://ria.ru/arab_riot/20121130/912954963.html#13546235565552.

²⁶ See Marat A. Cheshkov, “The ‘Arab Spring’ and Destinies of Post-Soviet States” (in Russian), *MeiMO* (World Economy and International Relations), No. 7, 2012, pp. 122-123.

²⁷ See Kayhan Barzegar, “A Turning Point in the Middle East Geopolitics,” *Russia in Global Affairs*, Vol. 10, No. 2, April-June 2012, <http://eng.globalaffairs.ru/number/A-Turning-Point-in-the-Middle-East-Geopolitics--15583>; Yevgeny Y. Satanovsky, *Russia and the Middle East* (in Russian), cit.; Mikhail Margelov, “After Stability” (in Russian), *Russia in Global Affairs*, Vol. 9, No. 2, April-June 2011, <http://www.globalaffairs.ru/number/Posle-stabilnosti-15176>.

²⁸ See Yevgeny Y. Satanovsky, *Russia and the Middle East* (in Russian), cit., p. 41.

²⁹ See Roundtable Discussion “Events in North Africa and the Middle East: International Factors” (in Russian), *MeiMO* (World Economy and International Relations), No. 7, 2012, pp. 107-121.

of democracy than the East European movements. More problematic, however, are the most radical wings of Islamists that are demonstrating a very high probability of saturating the newly elected governments and parliaments. Democracy in the Mediterranean reveals a tendency toward strengthening radical wings of political Islam.³⁰ After the fall of Muammar Gaddafi, Algeria is the only secular Arab regime waging a battle against Islamist fundamentalists, but Algeria is also in the “risk zone.”

On the other hand, it is not beyond the realm of possibility that there will be exacerbated “competition” between the fundamentalists and supporters of modernization in the Mediterranean region,³¹ even though it is very likely that during the first stage, the fundamentalists will get the upper hand as they are better organized and relatively more experienced than liberal parties.

Thirdly, the legitimacy of the contemporary regimes is in crisis and new regional stakeholders are being strengthened. The legitimacy crisis is evident, judging from the toppling of regimes in Tunisia, Egypt, and Libya. Irrespective of the outcome of the Syrian domestic conflict, the power of Alawis and Bashar al-Assad has been shaken. Thus, Turkey is likely to dominate the Mediterranean scene in the near future.³²

With these factors and trends in mind, Russia is facing the task of redesigning its foreign policy for the Mediterranean region. The main goal of Russia’s

foreign policy as set forth in the Presidential Decree of May 7, 2012, “On measures to implement the Russian Federation foreign policy,” is to facilitate the creation of “favorable external conditions for the Russian Federation’s long-term development, modernization of its economy, and strengthening its positions as an equal partner on global markets.”³³ In the author’s view, this task should be handled in accordance with the country’s key interests that comprise territorial integrity and sovereignty of Russia’s allies, as well as maintaining peace and stability at Russia’s borders and those of its neighbors.

There is a definite security dimension to the Arab revolts that is of great importance to Russia. While the Arab Spring does not pose a direct threat to the integrity and sovereignty of Russia or its neighboring countries, further destabilization and the rise of radical Islam could spread into the Southern countries of the CIS. This is particularly relevant to the Central Asian states. The Egyptian and Tunisian events have incited talk about the destiny of the Central Asian authoritarian regimes and their authoritarian rulers. On one hand, just like the North African states, these countries are beset with rampant corruption, human rights abuses, appalling living conditions, extreme poverty, and unemployment. On the other hand, these post-Soviet states differ somewhat from their North African counterparts. Firstly, Egypt and Tunisia are situated very close to the EU and people can compare their living standards and opportunities with those in Europe. Secondly, the Central Asian countries (first and foremost Tajikistan and Kyrgyzstan) are not as well established states as the North African countries. Nonetheless, the events of 2010 in Osh and Djalal-Abad (Kyrgyzstan) demonstrated that these countries can find themselves in difficulties

³⁰ See Yevgeny Y. Satanovsky, *Russia and the Middle East* (in Russian), cit., p. 296; Alek D. Epstein, *Israel facing the new wave of Islamism: The “Arab Spring” and its Impact on the Jewish State* (in Russian), Moscow, Institute for Middle Eastern Studies, 2012.

³¹ See Andrey V. Korotayev, Julia V. Zinkina, and A.S. Khodunov (eds.), *System Monitoring of Global and Regional Risks: The Arab Spring of 2011* (in Russian), Moscow, LKI, 2012, p. 204.

³² See Viktor M. Sergeyev and Sevak N. Sarukhanyan, “The Middle East in Search of a New Regional Centre” (in Russian), *Polis. Political Studies*, No. 2, 2012, pp. 47-61.

³³ The presidential decree is available at <http://eng.kremlin.ru/acts/3764>.

posing a real threat to their stability.³⁴ From that standpoint, Russia is deeply concerned with the further expansion of the Arab Spring and, in the author's view, should use its best efforts to prevent the Arab Spring wave from reaching the Central Asian shores.

There is also a political and economic dimension to Russia's post-revolt relations with the new Mediterranean governments. Russia can and should develop cooperation with any new Mediterranean government that is the result of a public vote and uses democratic means. That the new governments tend to be political Islam-oriented is not at all discouraging for Russia as its population is, to a large extent, Muslim and as Russia has gained significant experience in interaction with Islamic states. As mentioned above, since 2002 Russia's Ministry of Foreign Affairs has a special envoy for liaison with the OIC and collaborates with the League of Arab States as well as the Gulf Cooperation Council (GCC).

Conclusions

It can be argued that the change we are witnessing in the Mediterranean today mirrors a global shift in the international relations system created after World War II. Its destiny will depend to a certain extent on the leading world powers including the United States, the European Union, and the BRICS. Russia, as has been continuously stressed by President Vladimir Putin and Minister of Foreign Affairs Sergey Lavrov, is seeking

³⁴ See Arkady Dubnov, "The Last Mirage of Durability," *Russia in Global Affairs*, Vol. 9, No. 2, April-June 2011, <http://eng.globalaffairs.ru/number/The-Last-Mirage-of-Durability-15244>.

to maintain the existing system based on the primacy of international law and the UN. The Mediterranean region presents similar challenges to Russia and the West and so this could be an opportunity and a starting point for the leading countries to work together more closely. Besides, such cooperation would be crucial now in order to deal with the manifold security challenges present in the region, especially after the Arab Spring. Russia and the United States already have some experience in resolving conflicts and disputes in the Mediterranean region, an example being their mediation between Syria and Israel and cooperation in the Middle East Quartet.

In addition to that, this collaboration should not be limited to political or diplomatic issues. Rather, there is a huge potential for cooperation in other fields such as energy, as mentioned above, or development assistance. It has been recognized that one of the main reasons underlying the protests in Tunisia and Egypt was unsatisfactory living conditions. There is some probability that by pooling their efforts in a bid to improve these standards, the world's leading powers could diminish the level of uncertainty in the Mediterranean region. Considering that one of the major drawbacks of the traditional North-South development assistance model was the lack of profound understanding of the real needs of the local populations, the most efficient instruments with which to address them would be assisting South-South development cooperation and implementing triangular or multilateral partnerships based on the Accra and Busan principles.

2

CHINA: AN EMERGING POWER IN THE MEDITERRANEAN LI GUOFU

For decades, China has attached great importance to developing friendly relations with Mediterranean states. Despite huge differences between China and the Arab world in terms of historic background, culture, lifestyle, religious beliefs, political systems, and development paths, both sides had no historical entanglement and no conflict of fundamental interests. Similar historical experiences in the past and common aspirations for development in the future have laid a solid foundation for both to forge friendly and cooperative relations.

This study observes China's evolving energy, economic, and security ties with the countries of the region and then analyzes the impact of the Arab Spring on these. Beforehand, however, it should be noted that political terms such as Southern and Eastern Mediterranean are rarely used in China. Geographically, China regards the region as West Asia and North Africa (WANA) and, even more often, the Chinese adopt the European geopolitical term, calling it the Middle East. The term Middle East refers to the 22 member states of the Arab League (including Palestine) and three non-Arab countries, namely Israel, Iran, and Turkey. Since most of the countries are Arab states, Chinese scholars sometimes call the area the "Arab world." In contrast to this, the term WANA does not necessarily include the (Persian) Gulf region, that is the six member states of the Gulf Cooperation Council (GCC), Iran, and Iraq, so it comes closer to the geographical term Southern and Eastern Mediterranean used in this study.

China's Evolving Economic, Security, and Political Interests in the Region

China's most important concern in the WANA region is the maintenance of peace and stability as preconditions for regional development, world peace, and Chinese interests in the region. China has a number of very important interests in the Middle East, the highest ranking of which is energy

security. Since 1993, China has become a net oil importer and the oil imported from the Middle East has increased annually ever since. At present, oil from the Middle East accounts for more than half of China's total oil imports from abroad. Thus, alongside its rapid economic growth, China has become more and more dependent on Middle Eastern oil.

Secondly, China has developing economic interests in the region. The Middle East has become China's seventh largest trade partner, with bilateral trade volumes reaching \$268.9 billion in 2011, a record high and a year-on-year growth of 36.5 percent.³⁵ Mutual investment enabled this growth momentum.

The third area of concern is security interests: friendly relations with the region could help China fight what it calls the "three ugly forces," that is terrorism, separatism, and extremism, which is very important for China to ensure security in the Western region of China, mainly in Xinjiang. For a long time, organizations such as the East Turkistan Organization repeatedly penetrated this region with killings, bombings, and other terrorist acts, thus seriously affecting stability and development in Xinjiang. These organizations, as foreign media have recently reported, are also connected to al-Qaeda, allegedly fighting together with them in Syria now. By maintaining and developing friendly relations with the countries in the WANA region, China hopes that they will support China's position on this issue and cooperate with them in taking necessary measures against any link of the "three ugly forces" with certain groups or organizations in their countries.

Fourthly, China has taken up a major strategic initiative, called the Westward Policy. After the

³⁵ Chen Xiaodong, "The Situation in Syria and China's relations with Countries in WANA" (in Chinese), *Xinhuanet*, April 6, 2012, http://news.xinhuanet.com/world/2012-04/06/c_122936977_3.htm.

economic reform program — Reform and Opening up — was launched in 1978, China's economic and social development took place mainly along the eastern coastal areas, while the western regions remained relatively poor and backward. In the last decade, China developed the Westward Development Strategy with the aim of narrowing the gap between east and west, and fostering a more balanced and coordinated development. As part of these measures, the Ningxia Hui Autonomous Region established the China (Ningxia) International Fair for Investment and Trade and Sino-Arab Economic and Trade Forum (CAETF) in 2010. The majority of residents in Ningxia are Muslims and the region has had various links with the Arab world since ancient times. CAETF has become an important platform for Ningxia to develop economic and trade relations with foreign countries, especially with the Arab countries. Furthermore, Xinjiang set up the China and Euro-Asia Expo in 2011. Given its geographical advantage, Xinjiang will make efforts to turn this into a platform for international exchange and cooperation with foreign countries. Enhancing good and friendly relations with Middle Eastern countries would therefore be very important for China in materializing that strategy.

China has also attached special importance to developing multilateral relations with the Arab countries. In January 2004, at the initiative of the Arab League, China and the Arab countries established the China-Arab States Cooperation Forum (CASCF), through which China and the Arab countries can exchange views on how to strengthen cooperation in political, economic, security, and other fields, and also on regional and international issues of common concern.

Eight years after its set-up and as a result of joint efforts, CASCF has contributed a great deal to the development of Chinese-Arab relations as a whole. In the political field, both sides have established a

strategic partnership of comprehensive cooperation and common development as a result of which the relations of both sides have been strengthened. In the economic sphere, the amount of bilateral trade between China and the states of the Arab League has grown rapidly, rising from \$36.7 billion in 2004 to nearly \$200 billion last year, with mutual investment rising year by year.³⁶

The Impact of the Arab Spring

The Arab Spring, sweeping through the whole MENA region, has had a profound impact on peace and stability in the region. China, as always, upheld the principle of non-interference in other countries' internal affairs, thus opposing the initiative of some states to intervene in the Arab countries. However, China has also made clear that it would respect and understand that the people in the region had the legitimate right to demand political change, and that it would also support their right to choose a path for development that suits their national conditions. China has always advocated political and peaceful methods to resolve differences and contradictions, and believes that military intervention and war would only bring disaster to the countries in the region.

China's position was understood and appreciated by the region's countries and people; therefore, China's relations with them have not been negatively affected, but instead even strengthened in some respects since the Arab Spring. This is evidenced in the continuation of frequent high-level exchanges with important Arab Spring countries such as Egypt, as well as other central countries in the region that have been affected by the Arab Spring to varying degrees. Chinese Prime Minister Wen Jiabao and Vice President Xi Jinping have paid successful visits to Saudi Arabia, Qatar, U.A.E.,

³⁶ Chen Xiaodong, "China's Relations with the Arab Countries," *Aljazeera*, May 30, 2012, transcript available at http://news.bandao.cn/news_html/201205/20120531/news_20120531_1917839.shtml.

and Turkey. Since 2011, the presidents of Egypt, South Sudan, and Mauritania, the prime ministers of Iraq and Turkey, and the crown prince of the U.A.E. have all visited China. In addition to that, more than ten foreign ministers, as well as special envoys from the region have visited the Asian giant. These visits clearly indicate that the mutual political trust between China and the region's countries has been strengthened. Furthermore, on May 31, 2012, CASCF held its fifth Ministerial Conference in Tunisia. During the conference, Yang Jiechi, the Chinese foreign minister, had in-depth talks with the Arab countries on how to deepen strategic cooperation and promote common development, as well as other priority areas of cooperation in the next two years. Finally, good relations also continue in terms of people-to-people contacts. At present, there are about 2,000 people who travel every day between China and the Arab countries; nearly 8,000 students from Arab states are studying in China, and there are about 500 Chinese doctors offering their services in different Arab countries.

Good relations notwithstanding, the Arab Spring has also presented some challenges, as well as opportunities for China, and its positions regarding central issues and countries — Libya, Syria, Palestine/Israel, and Egypt — will now be discussed in detail.

China's Policy toward Libya

China established diplomatic relations with Libya in 1978. After that, generally speaking, bilateral relations between the two countries were smooth and stable. Libya's former leader, Colonel Muammar Ghaddafi, visited China in 1982. Trade was good, but in 2011, because of the war, bilateral trade fell to \$2.78 billion, down by 57.7 percent.³⁷ The leading commodities China exported to Libya

were electrical, communications, and textiles, while the main import was crude oil.

At the beginning of the Libyan unrest, the biggest concern for China was how to protect the security of its citizens in Libya. As the security situation continued to deteriorate, between February 22 and March 5, 2011, the Chinese government started an enormous evacuation operation to get 35,860 of its citizens out of Libya by sea, land, or air.

As the violent conflict escalated, China called on the countries and the parties concerned to resolve their differences through dialogue and to respect the right of free choice of the Libyan people. In March 2011, taking into account the opinions of the Arab League and the African Union (AU) (whose member states were divided on the issue) and with the aim of protecting the safety of innocent Libyan civilians, China abstained in the Security Council vote on Resolution 1973, which called for the establishment of no-fly zones in Libya. However, China was strongly against NATO's large-scale bombardments in the name of protecting Libyan civilians.

During the civil war, China maintained contacts with both the government and the opposition, hoping to promote a ceasefire and negotiations. As part of these efforts, in June 2011, China invited Libya's National Transition Council (NTC) leader Mahmoud Jibril to visit Beijing to exchange views on Libya's situation. In July, Chen Xiaodong, the Director General of the Department of the West Asian and North African Affairs of the Ministry of Foreign Affairs, went to Benghazi for talks with the opposition leaders. With the changes on the ground, China adjusted its policies toward Libya. In September 2011, Chinese Vice Foreign Minister Zhai Jun participated as an observer in the International Conference "Friends of Libya" in Paris. On the margins of the conference, Zhai held talks with the NTC leader. He stressed that China

³⁷ China Ministry of Foreign Affairs, *China's Relations with Libya* (in Chinese), December 2012, http://www.fmprc.gov.cn/mfa_chn/gjhdq_603914/gj_603916/fz_605026/1206_605728/sbgx_605732/.

respected the Libyan people's choices and hoped that Libya's transitional authority would respect China's core concerns and take effective measures to protect Chinese interests in Libya. Jibril, in reply, invited China to play an active role in the post-war reconstruction, and pledged to comply with the existing economic and trade contracts with China and to take the necessary measures to protect Chinese personnel and assets in Libya.

On September 12, the Chinese government officially recognized the Libyan transitional authority as the representative of the Libyan people. In the same month, Yang Jiechi held talks with the head of the Libyan transitional authority while participating in the United Nations high-level meeting on the Libyan issue in New York. On October 28, Wang Wangsheng, Chinese ambassador to Libya, returned to Tripoli.

China attaches great importance to the post-war reconstruction of Libya. In January 2012, Zhang Ming, assistant minister for foreign affairs, met with Ashour Bin Khayal, the Libyan Foreign Minister, during the AU ministerial meeting in Ethiopia. Zhang exchanged views with Bin Khayal on the issue of China's participation in reconstruction work in post-war Libya. In early February, a working group from the Ministry of Commerce visited Libya. The purpose of the visit was to conduct the field assessments of the damages to China-related projects caused by the civil war, and how the Chinese enterprises could participate in post-war reconstruction.

Before the civil war, the business of Chinese companies in Libya was mainly contracted projects, largely in the fields of infrastructure, railways, telecommunications, oil and gas, road and bridges, real estate development, and so on. According to the statistics, the contracts of Chinese companies totaled more than \$18 billion before the civil war

broke out.³⁸ But during the war in 2011, all projects were forced to stop and a large number were damaged or have been expropriated or, in some cases, the equipment robbed. After the war, the Chinese government has actively discussed with the Libyan authorities how the Chinese companies could resume their work on the projects, and how they could be compensated.

In June 2012, during talks with the Libyan Foreign Minister, Chinese Vice President Xi Jinping said that China was ready to work with Libya to promote friendly bilateral relations in the new era. Ben Khayal expressed the hope that Chinese companies would soon return to Libya to participate in the reconstruction work. He also assured Chinese companies that the Libyan transitional government would provide Chinese enterprises with the necessary facilities and assistance.

Post-war Libya certainly would have enormous business opportunities, but the security situation in Libya is far from stable. The safety of Chinese engineering and technical personnel will be the top priority for the government when considering the timing and conditions for participating in reconstruction in Libya. So long as their safety cannot be guaranteed, China will be very cautious about getting involved in post-war reconstruction in Libya. China hopes, however, that by respecting the choice of regime and development path of the Libyan people, Libya will reach stability and the people will return to a normal life soon.

China's Policy toward Syria

After establishing diplomatic ties in 1956, China and Syria managed to develop good and friendly relations. Since March 2011, China has been very concerned about the political upheaval unfolding

³⁸ He Wenping, "The Impact and Inspiration of the Libyan War" (in Chinese), *Asia & Africa Review*, Vol. 6, 2011, p. 20-27, <http://wenku.baidu.com/view/aa578f5a3b3567ec102d8a26.html>.

in Syria. In order to prevent the duplication of the “Libyan model,” China, together with Russia, vetoed UN Security Council draft resolutions twice — in October 2011 and February 2012 — being afraid that they would, once again, give the green light to foreign forces to interfere militarily in Syria’s internal affairs. Because of the vetoes, China’s position toward the Syrian crisis has been criticized by some Western countries and misunderstood by some countries in the region. China, it should be said, is not an obstacle to the solution of the Syria crisis. It has no oil interests in Syria and the trade volume between the two sides is small, with the total amount of bilateral trade in 2011 amounting to \$2.45 billion only.³⁹

China’s policy toward the Syria issue is based on long-standing principles of its foreign policy. First of all, China believes that all countries, big or small, strong or weak, should comply with the principles of the Charter of the United Nations, and should act in compliance with the basic norms of international relations, thus respecting Syria’s sovereignty, independence, and territorial integrity. China is against the use or threat of use of force and against any kind of foreign-imposed regime change. These principles are the essence and the core content of China’s diplomacy for peaceful development and they also serve as the major cornerstone for safeguarding the interests of developing countries. Secondly, China’s policy toward the Syria crisis is conducive to safeguarding peace and stability in the Middle East as well as to the fundamental and long-term interests of the Syrian people in ensuring a viable, negotiated solution that takes the needs of all sides into account.

In order to promote such a viable political settlement, China has maintained close contacts

³⁹ China Ministry of Foreign Affairs, *China’s Relations with Syria* (in Chinese), December 2012, http://www.fmprc.gov.cn/mfa_chn/gjhdq_603914/gj_603916/yz_603918/1206_604810/sbgx_604814.

with various parties in Syria, as well as with the international community. So far, China has invited Syrian government representatives and the opposition parties, including internal opposition parties such as the National Forces for Democratic Change National Coordinating Body, and outside opposition such as the Syria National Council to visit China in efforts to persuade them to agree to a political settlement as soon as possible. China is concerned about the humanitarian situation in Syria, and recently provided a \$2 million emergency humanitarian cash infusion to the International Committee of the Red Cross (ICRC).

Furthermore, the Chinese Minister Yang Jiechi has suggested a four-point proposal to UN–Arab League Joint Special Envoy Lakhdar Brahimi to achieve a ceasefire in the Syrian conflict and has called on all relevant parties in Syria to take seriously and respond positively to the consensus reached by the international community on a peaceful settlement of the issue, to launch inclusive political dialogue at an early date, and to decide on the political system and development path of their country through equal, patient, and extensive negotiations and consultations.

Concretely, the four-point proposal, firstly, calls on all relevant parties in Syria to stop the violence, and to cooperate actively with the mediation efforts of Brahimi. Relevant parties should implement effective steps toward a ceasefire, for example region by region or phase by phase, to expand the areas of ceasefire, realize disengagement, and eventually bring an end to all armed conflict and violence. Secondly, all relevant parties in Syria should appoint empowered interlocutors as soon as possible so that, assisted by Brahimi and the international community, they can formulate through consultations a roadmap of political transition, establish a transitional governing body of broad representation, and implement political transition so as to end the

Syrian crisis at an early date. To ensure a safe, stable, and calm transition, the continuity and effectiveness of Syria's government institutions must be maintained. Thirdly, the international community should work with greater urgency and responsibility to cooperate with and support Brahimi's mediation efforts fully and make real progress in implementing the communique of the Geneva foreign ministers' meeting of the Action Group for Syria, Kofi Annan's six-point plan, and relevant Security Council resolutions. The positive efforts of the Arab League and countries in the region in search of a political settlement should be valued. Fourthly, relevant parties should take concrete steps to ease the humanitarian crisis in Syria. The international community should increase humanitarian assistance to the Syrian people and ensure proper resettlement of refugees beyond the Syrian border and timely aid for those in need within Syria. The Syrian government and various parties should render full cooperation to the work of the United Nations and relevant neutral institutions to provide humanitarian assistance in all conflict-affected regions and ensure the safety of their personnel. At the same time, humanitarian issues should not be politicized and humanitarian assistance should not be militarized.

In sum, the Chinese position supports the idea that the Syrian people should be able to choose their political system and development road independently and that a political solution that meets the fundamental and long-term interests of the Syrian people and is accepted by the conflicting parties as well as the international community is most conducive to a lasting settlement of the conflict.

China's Position on Palestine/Israel

China was among the first countries to support the Palestinian national movement and recognize the Palestine Liberation Organization (PLO) and the State of Palestine. In May 1965, the PLO set

up its office in Beijing. In November 1988, China declared that it recognized the State of Palestine and established diplomatic ties with the Palestinian State. China's position on the Palestinian issue is clear, namely that China supports the Palestinian people in restoring their national legitimate rights to their homeland, based on the 1967 border-line, as an independent state with full sovereignty and with East Jerusalem as its capital. China firmly supports the Palestinians in becoming full members of both the United Nations and UNESCO.

China and Israel established diplomatic relations in 1992. At the beginning, the bilateral trade volume stood at \$50 million only, but reached \$10 billion in 2011, an increase of more than 200 times in 20 years.⁴⁰ Economic and trade cooperation has now become an important part of the friendly relations between China and Israel.

To resolve the Palestinian-Israeli conflict, the position of China is that it is key for both sides to return to the negotiating table as soon as possible. In order to achieve that goal, Israel, first of all, should bear the responsibility of taking the first step to clear the obstacles to such negotiations and to rebuild mutual trust. China opposes the construction of Jewish settlements in the occupied territories and the unilateral changing of the status quo in Jerusalem; it has called for a lifting of the blockade on the Gaza Strip and an opening of ports to let in medical aid, food, and reconstruction materials.

China believes that the Palestinian issue is the core issue in the region. Without the solution of the Palestinian issue, it will be impossible for the Arab states and Israel to achieve a genuine peace, and there will be no peace and stability in the

⁴⁰ Gao Yanping, "Deepening the Economic and Trade Cooperation between China and Israel," *Sino-Israel Cooperation Perspective*, No. 1, 2012, China Institute for Jewish Culture and Economy (CIJEC), University of International Business and Economy, China.

MENA region. As a permanent member of the UN Security Council, China has always attached great importance to and supported the Middle East peace process. In 2002, China appointed Ambassador Wang Shijie as the Chinese Middle East special envoy to promote a solution of the conflict through peaceful negotiations between Palestinians and Israelis. To achieve this aim, the special envoy has maintained close contacts with the Middle East Quartet. Against the backdrop of huge changes in the region, China believes that the international community cannot afford to ignore this issue any longer. In October 2012, Wu Sike, the Chinese Middle East special envoy, paid an official visit to Israel and the Palestinian areas of the West Bank in an effort to promote the early resumption of peace talks between Israelis and Palestinians.

Regarding the Iranian nuclear issue, Israeli concerns about the nuclear program are understandable because of the former's size and the hostile relations between the two countries. However, it is questionable whether the Iranian nuclear program actually poses an "existential threat" to Israel. It is an open secret that Israel is the only Middle Eastern country with a nuclear weapons arsenal, which likely has the capabilities to destroy Iran several times over. Iran has repeatedly pointed out that it is against its religion to produce nuclear weapons. And even if Iran, hypothetically speaking, were to have a nuclear weapon, it is questionable whether it would use it against Israel, as this would be tantamount to suicide. The real threat for Israeli might thus not be an "existential threat," but rather the weakening of Israel's absolute advantage in strategic deterrence.

China has always supported the efforts to uphold the international nuclear non-proliferation regime, opposing the efforts of any country to develop or possess nuclear weapons in the Middle East. As a signatory of the Non-Proliferation Treaty (NPT), Iran has the right to use nuclear energy

peacefully after fulfilling NPT-related obligations. Iran should make efforts, however, through close cooperation with the International Atomic Energy Agency (IAEA), to address or to eliminate the concerns of the international community and its neighboring countries about its nuclear program. China is against a military solution to the Iranian nuclear issue and advocates negotiations between the 5+1 group and Iran, with the aim of achieving a comprehensive, long-term, and proper solution.

China's Policy toward Egypt

China and Egypt officially established diplomatic relations in May 1956. The Chinese people will not forget that Egypt was both the first Arab and the first African country to establish diplomatic relations with the new China, helping it to open the door to diplomatic ties with other Arab and African countries. Therefore, China has always attached great importance to relations with Cairo. China considers Egypt a strategic partner and the most important regional country. With joint efforts, China and Egypt have developed healthy and stable relations. In April 1999, China and Egypt agreed to up-grade their bilateral relations into strategic-cooperative ones. Once again, Egypt was the first country in the Arab world and Africa with which China has forged such strategic relations.

In recent years, due to the efforts of both countries, bilateral cooperation has expanded and trade has grown. Egypt is now China's fifth largest trade partner in Africa. In 2011, the bilateral trade volume stood at \$8.8 billion, a 26.5 percent increase with respect to the previous year.⁴¹

In early 2011, China was very concerned about and closely watched the political upheaval in Egypt. In an effort to maintain the traditional friendship with the new regime, on March 9, 2011, less than

⁴¹ Liu Chang, "Morsi's China visit to forge closer ties with Beijing," *Xinhua News*, August 27, 2012, http://news.xinhuanet.com/english/indepth/2012-08/27/c_131810473.htm.

a month after the ouster of the former Egyptian President Hosni Mubarak, Zhai Jun, Chinese deputy foreign minister, visited Cairo. During the talks with Egyptian Deputy Prime Minister Yahya al-Jamal and Foreign Minister Nabil Elaraby, Zhai, stressed that China respected the Egyptian peoples' choice, and that Middle East affairs should be handled by its own people and not be subjected to outside interference. Zhai, on behalf of the Chinese government, provided pro bono assistance to Egypt. In return, the Egyptian side assured China that friendly relations with China was an established Egyptian policy, which would not change under the new leadership. In early May, Chinese Foreign Minister Yang Jiechi visited Egypt and held talks with the then Egyptian leader, General Mohamed Hussein Tantawi, the chairman of the Supreme Council of the Armed Forces. Both sides promised to make efforts to further strengthen bilateral relations.

The Chinese–Egyptian strategic cooperation relationship entered a new stage when the new Egyptian president, Mohamed Morsi, chose China for his first official visit outside the Arab world. During his stay in China, Morsi held talks with Chinese leaders, President Hu Jintao, Chairman of the National People's Congress Wu Bangguo, Premier Wen Jiabao, and Vice President Xi Jinping.

In these talks, Chinese leaders stressed that China understood and respected the will and aspirations of the Egyptian people and supported the Egyptian people's independent choice of their political system and path of development. In reply, President Morsi said that he regarded China as a good brother, friend, and partner. The Egyptian president expressed thanks for China's friendly foreign policies and the support granted to the Egyptian people. He expressed the hope to learn from the successful experience of China's reform and opening up and the desire to strengthen cooperation with China. In order

to upgrade bilateral relations to a new historical stage, President Hu put forward a four-point proposal: deepening political relations; promoting trade and economic cooperation; expanding human exchanges; and strengthening multilateral cooperation in international and regional affairs. China provided Egypt with a \$200 million loan, and promised to encourage Chinese entrepreneurs to invest in Egypt. During the visit, China and Egypt signed a series of bilateral economic cooperation agreements; Morsi also attended a Chinese–Egyptian Conference of entrepreneurs from the two countries.

Conclusions

The Arab world, because of its important strategic location, its rich resources of oil and gas, and the long history and enormous impact of the Islamic civilization in many parts of the world is already an important player in current international politics. Therefore, during this period of changing regional and international patterns and the reconstruction of the international political and economic order, all world powers attach great importance to the Arab world and actively regard it as a strategic partner.

As the political upheaval unfolded in Arab countries, China clearly underlined that the will and choice of the people should be respected, appealed to the parties concerned to solve the conflicts and disputes through dialogue and consultation, and firmly opposed the use of force and interference in the internal affairs of other countries. China is actively committed, working together with the international community and the countries concerned, to achieving a political solution to the crises, especially the Syrian crisis, as soon as possible. Only in this way can the countries concerned undertake national reconstruction, recovery, and economic development. China will pay close attention to the development of the situation to safeguard China's legitimate economic

interests in these countries, in the hope of resuming and promoting cooperative relations in various areas.

The violent conflicts or civil wars in some countries triggered by the Arab Spring have seriously affected not only the peace, stability, and development of those countries, but also the mutually beneficial cooperation between them and China. In Libya, for example, Chinese companies suffered huge financial losses. Chinese companies have also been affected by the violent conflicts in Syria and Yemen.

However, the Arab Spring has provided China not only with challenges, but also opportunities. China believes that the world is changing and

moving forward, and so is the WANA region where people are demanding change, more freedom, social justice, and a better life, fully in line with the world trend. The positive perception and principle of peaceful foreign policies will serve as the new foundation for China and the Arab world to maintain and develop friendly and cooperative relations in the future. China has noticed that there is a strong momentum in some Arab countries to find a development road suited to their national conditions, learning from and valuing the strategic partnership with China. This trend itself will help China and the Arab world to strengthen bilateral relations.

3

INDIA: OVERCOMING THE DISTANT DILEMMA

P.R. KUMARASWAMY

India shares historical–civilizational links with the countries of the wider Middle East, including the Mediterranean sub-region. It had close ties with and was influenced by all the prominent monotheistic religions that emerged in the Middle East, and the Arabian Peninsula was, even before the birth of Islam, a major trading and commercial center for Indian merchants. In modern times, the arrival of the British on the subcontinent in the early 17th century added geostrategic dynamics to these historic ties. The British interests in the Persian Gulf region were decided, pursued, and administered from the Bombay Presidency on the Western coast of India. Following its independence in 1947, India sided with the countries of the Middle East under the banner of decolonization and anti-imperialism and befriended countries that espoused and followed a non-aligned foreign policy and vehemently opposed continued foreign presence and domination.

The end of the Cold War significantly transformed India's foreign policy. While its leaders continue to pledge their support for non-alignment, its view of the outside world has become pragmatic and less ideological. The economic reforms initiated in 1991 started bearing fruits and, far from being an aid-recipient, India started to post steady economic growth. This in turn compelled a foreign policy based on political realism and interests.

While the wider Middle East, including the Persian Gulf, has been vital for India, the importance of the Mediterranean region has been somewhat mixed for New Delhi. During the past two decades, an Indian policy driven primarily by economic considerations is visible toward Mediterranean countries such as Egypt and Syria that possess energy resources, as well as Israel. At the same time, India has been adopting a restrained, if not indifferent, position toward popular protests in the Arab world. If it were to capitalize on the ongoing political transition and economic reconstruction

in the Arab world, India would have to move away from the past hesitancy and look for convergence of interests with other regional players who have vital stakes in the region.

Understanding India's Interests

Though recognized as the world's fourth largest economy, India is still not in a position to utilize its economic clout for furtherance of its foreign policy interests. Its economic interest in the Mediterranean region is not considerable. For instance, the Persian Gulf supplies about 60 percent of its total oil imports and accounts for 25 percent of its total trade.⁴² With the exception of Israel and to a lesser extent Egypt, its trade relations with the Mediterranean are insignificant and are likely to remain so in the immediate future.

India's principal political interests in the Mediterranean region lie with Israel, Egypt, and to a lesser extent Syria. Relations continue to be developed and pursued through the bilateral prism. This is in tune with the general thrust of its foreign policy, which shows a lack of regional approach. Israel, however, remains an exception, as India has had to balance its newly normalized relations with the Jewish State with its traditional support for the Palestinians.⁴³ This became possible after the Cold War and the Madrid Peace Process, as the Palestinian question started to undergo a transformation and lost its importance in inter-Arab politics, even though Arab support for Palestinian statehood continues.

Displaying a drive for greater political-diplomatic advantage in the region after the Cold War, India revisited its erstwhile zero-sum approach to the

⁴² Adapted from the trade figures of Director General of Foreign Trade of India, <http://commerce.nic.in/eidb/default.asp>.

⁴³ Since the early 1920s, the Indian nationalists have identified themselves with the Arabs of Palestine and opposed the idea of a Jewish national home in mandate Palestine.

Arab–Israeli conflict and befriended Israel.⁴⁴ Having remained indifferent and even hostile to Israel for much of the 20th century, in January 1992 India normalized relations with Israel. Since then, political and economic relations have progressed considerably and Israel has emerged as India’s major partner and interlocutor in the Mediterranean region.

Moving away from its former condemnation, India has been understanding and accommodative of Israel’s positions and interests. This has been accompanied by a weakening of Indo–Palestinian ties, even though India has not abandoned its traditional support for the political rights of the Palestinians. The belief in the formation of an independent Palestinian state continues to be the hallmark of its policy toward Israel. Indeed, India has not allowed its differences over the peace process to undermine its bilateral relations with Israel. In other words, by highlighting its differences over issues such as borders, refugees, and Palestinian statehood, India has managed to further its bilateral relations with Israel. Before 1992, its differences over the peace process inhibited India from even maintaining normal relations with Israel. In recent years, however, India has contributed to rapid growth in its relations with Israel by delinking them from the peace process. Robust economic relations have accompanied the political aspects of India’s relations with Israel. Reflecting this consolidation, bilateral trade currently stands at over \$6.6 billion.⁴⁵ There has also been a rise in two-way investments and both countries are currently working toward a free trade agreement, which they hope will quadruple the volume of bilateral trade.

⁴⁴ P.R. Kumaraswamy, *India’s Israel Policy*, New York, Columbia University Press, 2010.

⁴⁵ Director General of Foreign Trade of India Statistics, <http://commerce.nic.in/eidb/default.asp>.

However, the most visible manifestation of the bilateral relations can be located in the military–security arena, where Israel has emerged as a major arms supplier for India.⁴⁶ Its expertise is confined to technology and upgrading and not the sale of platforms such as aircrafts, tanks, or ships. Yet, Israel has emerged as the second largest arms exporter to India after Russia. Besides the supply of hardware, small arms, and ammunition, both countries cooperate in areas such as border management, joint research, and licensed production of a host of inventories. For its part, India has been sharing its expertise in space technology and launched an Israeli spy satellite in January 2008, which enhances the latter’s ability to monitor Iran.

In contrast to the rapid progress in India’s relations with Israel, those with other countries of the Mediterranean have stagnated. Egypt, which occupied a key place in its foreign policy especially during the heydays of Gamal Abdul Nasser, has seen its importance wane. Mubarak’s U.S.-centered policy did not only diminish Egypt’s regional importance, but moved that country away from India. The normalization of Indo–Israeli relations also contributed to the weakening of Indo–Egyptian relations. The widening gap was manifested by the manner in which Mubarak handled the Jawaharlal Nehru Award; conferred in 1997, Mubarak took nearly a decade to visit India and receive the honor in person.

Nonetheless, India’s search for energy security has brought a new role for Egypt, as well as Syria, where oil imports have increased the volume of bilateral trade. There is a small Indian investment in the Syrian oil sector and similar moves were underway in Egypt prior to the Arab Spring. The

⁴⁶ Efraim Inbar and Alvite Singh Ningthoujam, “Indo–Israeli Defense Cooperation in the Twenty-First Century,” *Mideast Security and Policy Studies*, No. 93, January 2012, <http://www.biu.ac.il/Besa/MSPS93.pdf>.

secular orientation of the Ba'ath party in Syria had a greater resonance in India and facilitated political interactions between the two. Hence, despite limited economic ties, both had frequent political exchanges and visits.

Since the end of the Cold War, the United States, as a key player in the Mediterranean, had a dual impact on India's interests. While it played a positive role in the improvement of India's relations with Israel, its prolonged economic sanctions against Libya removed that country as an important energy supplier to India. The weakening of Libya's role in meeting its energy needs since the mid-1990s and in the post-Qaddafi political order means that India would find it difficult to capitalize on the reconstruction efforts in Libya.

The Impact of the Arab Spring

India was extremely reluctant to express any opinion, let alone demonstrative support, for the Arab masses protesting against their authoritarian rulers, even in face of the largely peaceful nature of the Arab Spring. Its response toward the Arab Spring has been motivated less by moral considerations than by strong politico-economic concerns, a preference for stability, as well as India's traditional policy of non-intervention.⁴⁷ Toward securing these objectives, India adopted different strategies ranging from qualified support for external intervention, a middle path that pleases none, to studied silence.

In the Gulf, where India has substantial economic, energy, and social interests, India maintained a studied silence and was not prepared to undermine its strong economic ties and energy dependency, or to endanger its 5 million expatriate laborers who contribute "a significant proportion" of the

annual remittances, which stood at over \$55 billion during 2010-11.⁴⁸ Its response to events in the Mediterranean region was somewhat different. If the events occurred in a far-off or seemingly less important country, India appeared to remain indifferent. This was apparent in Tunisia, the country that unleashed the Arab Spring. The limited political or economic interest and the speed with which President Zine El Abidine Ben Ali was forced to flee gave little time for India to react.

In the case of other countries, the Indian response was governed by two criteria; the welfare of its citizens living in troubled zones and their safe evacuation, as well as the emergence of a regional consensus. Until its citizens were brought home, India refrained from making any statement concerning popular protests. This was apparent in Egypt and Libya, which hosted Indian expatriate workers. Ensuring their safe return entailed India not overtly identifying with either side of the popular protest and coordinating with the authorities who could facilitate the necessary logistical support. During February and March 2011, India brought home about 3,000 people from Egypt and 17,000 from Libya. Once its nationals were safely evacuated from the troubled zones, India began articulating its stand vis-à-vis popular protests.

This post-evacuation position was neither automatic nor uniform as India waited for a national or regional consensus to emerge before expressing its views. While the anti-regime protests in Tahrir Square began in early February, India's reaction did not come until it became clear that an overwhelming segment of the Egyptian people were opposed to President Hosni Mubarak and his three-decade old rule. Cognizant of the growing domestic opposition just days before the fall of the regime,

⁴⁷ For detailed discussion see P.R. Kumaraswamy, *Reading the Silence: India and Arab Spring*, Jerusalem, Leonard Davis Institute for International Relations, 2012, http://www.dmag.co.il/pub/huji/ReadingtheSilence/view_book.html.

⁴⁸ Ministry of Overseas Indian Affairs, *Annual Report 2011-12*, p. 36, http://moia.gov.in/writereaddata/pdf/annual_report_2011-2012.pdf.

India's Foreign Minister urged Mubarak to "listen" and respect the voice of the people.

The situation in Libya was somewhat different. In the wake of the repatriation of about 17,000 nationals, India closed down its embassy in Tripoli and its ambassador moved to neighboring Tunisia. When the county plunged into a civil war and the Arab Spring in Libya ceased to be peaceful and non-violent, India, which was a non-permanent member of the United Nations Security Council (UNSC), decided to play it safe and looked for signs of regional consensus. By then, both the Arab League and African Union rallied around anti-Gaddafi forces. Spearheaded by France and Italy, the European Union called for an activist policy on Libya. These resulted in a growing demand to refer the Libyan case and its leader to the International Criminal Court (ICC) for war crimes trial.

Referring Libya to the ICC ran counter to India's stated positions regarding external intervention in the internal affairs of a sovereign entity and its refusal to sign the statute of the ICC. Yet, the regional consensus was overwhelming and India could not ignore growing international discomfort with the brutal suppression of the Libyan opposition. Hence, with a formal caveat over the ICC, on February 26, 2011, India voted with the majority of the UNSC members to refer Libyan leaders to the ICC. This was followed by UNSC Resolution 1973, which authorized international intervention to enforce a no-fly zone to protect the civilian population from the government forces. This resolution was subsequently used by the NATO to enforce a regime change in Tripoli through military intervention. Despite these obvious implications, especially in the light of the U.S. practice in Iraq after UNSC Resolution 1441, India abstained on UNSC Resolution 1973, which eventually ended Gaddafi's rule in Libya.

The situation in Syria reflected an odd combination of the conditions prevalent in Egypt and Libya. As in Egypt, the military in Syria is more organized and has been the principal powerbase of the Assad regime. However, unlike in Egypt, it has remained more loyal to the ruler. The sectarian nature of the Syrian society and the Alawite domination of the political and military establishment have largely cemented the relations between Bashar al-Assad and military. The sudden fall of the regime would have had unacceptable consequences not only for the Syrian army but also for the Alawite minority.

Hence, as Syria soon plunged into a civil war, it posed a number of challenges for India. The civil war situation and active external support to the rebels, especially in terms of weapons and fighters, ran counter to India's stated policy of non-intervention. Furthermore, traditionally India had a soft spot for Syria because of the latter's secular Ba'athist disposition. As the post-1967 Middle East was moving toward the Saudi-dominated religious conservatism, the Ba'athist regimes of Iraq and Syria appeared ideologically closer to India and its professed principle of secularism. The Kuwait crisis and its aftermath resulted in the marginalization of Iraq, leaving Ba'athist Syria as the only secular Arab friend of India. This became relevant when Islamists, whose ascendance has become the hallmark of the Arab Spring, came to dominate the Syrian opposition.

The violent nature of the protests, its increasing Islamist domination, and active external intervention came against the backdrop of the Libyan example, where the West had exploited the vaguely worded UNSC Resolution 1973 to unleash a full-fledged military campaign against Libya and, after a protracted air campaign and military assistance to the rebels, enforced a regime change in Tripoli. India was apprehensive of a similar regime change in Damascus through the UN. Therefore, during much of 2011, it opposed crucial votes in

the UNSC and other forums that called for active external intervention. The Western measures failed primarily because of the opposition from Russia and China, but India siding with them indicated a discord between New Delhi and several Western capitals.

At the same time, India was not in a position to whole-heartedly endorse the Assad regime in the same way as Russia and China did. Such a position would have run counter to the regional unpopularity of the Syrian regime caused in large part by the growing number of civilian deaths. Though it was not ready to condone the opposition violence, India could not ignore the refusal of the Assad regime to abandon violence and seek a political settlement. As part of its efforts to stave off a looming UNSC resolution, in August 2011, together with South Africa and Brazil, India was part of a three-member UNSC delegation sent to Damascus to seek a political settlement. But the beleaguered Syrian government was not prepared to seek this kind of settlement, thus diminishing India's diplomatic space. So, in January 2012, India issued its first advisory against travel to Syria, followed by its support for a draft UNSC resolution on Syria vetoed by China and Russia, which called for more sanctions on the regime. The stalemate in the UNSC due to opposition from Russia and China resulted in Arab countries taking the matter to the United Nations General Assembly (UNGA). Though New Delhi helped in the toning down of the resolution that originally called on President Assad to step down, it voted against the Saudi-sponsored resolution because the resolution did not condemn the opposition for its violence, which also resulted in civilian deaths. Along with Brazil and South Africa, India, thus, sought to distance itself simultaneously from both the Syrian government and the opposition over their failure to resolve the issue through negotiation. Though this equidistant posture satisfied neither of the parties, it enabled India to maintain a distance from both the

supporters and the opponents of the Assad regime and could be useful for any post-conflict settlement in Syria.

Broader Political Vision

While China and Russia are established powers, India is an aspiring power. This power asymmetry weighs heavily in India's approach toward the Mediterranean region. The window of opportunity offered by the U.S.-backing in international affairs proved to be short and transient. India was unable to capitalize on the bonhomie provided by the 2005 civilian nuclear deal with the United States; wobbling on its part in delivering its commitments to Washington dented its credibility considerably and weakened its advantage. Likewise, its position regarding the Iranian nuclear controversy is neither clear nor effective.⁴⁹ While it managed its triangular relations with Iran and Israel, New Delhi was unable to develop a policy that accommodates and balances its interests vis-à-vis Iran and the U.S. Around the same time, the over-stretching of the global financial crisis exposed the limitations of U.S. power. The prevailing international consensus views the United States as a declining power with its usefulness for India's great power aspirations considerably weakened.

These conditions were vividly exhibited in the U.S. responses to the Arab Spring. Both beleaguered Arab regimes and protesting masses were disillusioned with the position taken by U.S. President Barack Obama. A three-decade old friendship did not prevent the United States from abandoning Mubarak at the crucial moment, while the protesting Arab public felt that the Obama administration was too slow to respond. The stalemate in Syria and the continuation of the al-Khalifa in Bahrain exhibit the limitations of U.S. influence in the region. By checkmating Western

⁴⁹ P.R. Kumaraswamy, "India's Nuke Dance Over Iran," *Strategic Insights*, Vol. 6, No. 5, August 2007, <http://hdl.handle.net/10945/11253>.

moves toward Assad, Russia and China have firmly entrenched themselves in the Middle East. Thus, U.S. support for India's great power aspirations and its deliverability are in doubt.

As a result, India's ability to cooperate with the West, especially with the United States, over the Mediterranean region is limited. Its traditional opposition to external intervention is now accompanied by diminishing U.S. influence and even relevance. At least in the Mediterranean context, India's foreign policy stands would be influenced by the positions taken by China and Russia, especially in the UNSC. Furthermore, regional consensus on issues would be more relevant to India than any transatlantic demands or agreement. Intimations of this have already appeared in its stand on Libya and Syria. At the same time, India would not seek a coordinated BRIC stand vis-à-vis the region; while there could be issue-based agreements, there is no wider convergence of interest between India and the other three players. On issues such as energy security and external non-intervention, India faces competition and rivalry from other countries, especially China. Its preference for regional consensus, thus, would be an interim strategy until India acquires greater regional influence.

Following a regional consensus would be critical if India were to increase its profile and influence in the Mediterranean. At the same time, India would be reluctant to present any model or ideas for the region, especially to countries that are in the middle of domestic unrest. Despite their shortcomings and imperfections, secularism, democracy, and multiculturalism are India's strong points.

It is committed to the co-existence of diverse religious communities through accommodation and compromise. While prepared to part with its knowledge and experience, especially in the conduct of elections and institution building, India and its leaders would be reluctant to present themselves as the model for the heterogeneous Mediterranean region lest they be seen as aggressive and hegemonic. Its limited political capital in the Middle East would also inhibit India from seeking any leadership role for itself.

Things could be different concerning the Arab-Israeli conflict. India has close and cordial relations with both Israel and the Palestinians and could thus play a more active role in the resolution of the vexed century-old conflict. However, short of both the parties demanding such an involvement, India will not undertake any mediatory role in the Middle East peace process.

India's interest in the Southern Mediterranean is considerable, especially as concerns Israel, while its interest in the eastern region is evolving. Its traditional positions — non-intervention, political stability, and preference for peaceful political transition — continue to shape and dominate its interests and involvement. Driven by its appetite for energy, its foreign policy has increasingly assumed an economic dimension and within this context, countries such as Egypt, Syria, and Libya could become more important than before. At the same time, it should be noted that while offering alternate supply options, the ability of these countries to compete with the more lucrative Gulf region is limited.

4

BRAZIL: NEWCOMER TO THE REGION

ARLENE CLEMESHA

At the turn of the 20th century, during Fernando Henrique Cardoso's second presidential mandate, Brazil began slowly to increase its commercial relations with the Arab countries of the Middle East and North Africa.⁵⁰ What had begun as a pragmatic and commercially guided trend in foreign affairs turned into an unprecedented systematic effort to increase political and diplomatic ties when President Luis Inácio Lula da Silva came into office in 2003. Indicative of this turn were not only intensified official visits and an increase in embassies, scientific, technical, cultural, and commercial exchanges, but perhaps more importantly, the decision to set up what became the main platform for promoting diplomatic, commercial, scientific, and cultural relations with the Arab countries, the South American and Arab Countries Summit (*Cúpula da América do Sul e Países Árabes*, ASPA), conceived by President Lula's government as early as 2003 and held for the first time in 2005. The second and third Summits took place in Doha in 2009 and Lima in 2012.⁵¹

What explains the Brazilian outreach to the Middle East and North Africa? This study outlines Brazilian political and economic relations with the Arab countries during the past decade, while investigating the motives and objectives of such

⁵⁰ Relations between Brazil and the Arab countries, Africa, and Latin America suffered a setback at the beginning of Cardoso's presidential mandates (1995-2002), given that relations with the United States and other developed countries were a priority. Although commercial ties were maintained, the rhythm of economic exchange slowed down, as did technical and scientific cooperation.

⁵¹ High level contacts between foreign leaders have allowed for cooperation not only in the economic and political fields, but in joint efforts such as the fight against desertification in Brazil and in the Arab countries. The continuous efforts to establish close cooperation and privileged channels of dialogue with the Arab countries have included increasing the number of Brazilian embassies to 17 of the 22 Arab League countries. Today the only Arab countries that do not have Brazilian embassies are Yemen, Bahrain, Djibouti, Comoros, and Somalia. Brazil is one of the only four observer states in the Arab League (together with Eritrea, Venezuela, and India), a status that entitles it to give its opinion and advice but denies voting rights.

policies. Their strategic dimensions are best illustrated in the aftermath of the Arab revolts of 2011–2012, and in face of the Brazilian attempts at being accepted by Palestinians and Israelis as a broker for Middle East peace. The focus here will be on the Southern and Eastern Mediterranean, from Morocco to Egypt, Jordan, Lebanon, Syria, the Occupied Palestinian Territories, and the State of Israel. However, several references will be made to the Arab countries, meaning the 22 Arab League nations. In both economic and political matters, Saudi Arabia and the Gulf countries are usually viewed by the Brazilian Ministry of Foreign Affairs (*Itamaraty*) in the same geostrategic framework and are, therefore, inseparable from the Southern and Eastern Mediterranean.

The International Dimension

The political coalition that has governed Brazil since 2003, led by the Labor Party (*Partido dos Trabalhadores*, PT), set a new direction for the country's foreign policy, shifting from President Cardoso's (1995-2002) "insertion through participation," considered relatively subordinate to foreign capital, to President Lula's "insertion through diversification," characterized as more sovereign and autonomous.⁵² In other words, international insertion underwent a strategic shift: "the mainly commercial character of former Brazilian foreign policy, strongly linked to Brazilian participation in multilateral forums, gained a strong political and bilateral dimension, characterized by the effort to diversify partners and restore South-South cooperation."⁵³

⁵² See Paulo Roberto de Almeida, "A diplomacia da era Lula: balanço e avaliação," *Política externa*, Vol. 20, No. 3, December 2011-January 2012, p. 96, available at <http://www.pralmeida.org/05DocsPRA/2344DiplomEraLulaBalRevPolitcaExterna.pdf>.

⁵³ Guilherme Stolle Paixão e Casarões, "Construindo pontes? O Brasil diante da Primavera Árabe," *Ciência e cultura*, Vol. 64, No. 4, Oct.-Dec. 2012, p. 47, http://cienciaecultura.bvs.br/scielo.php?pid=S0009-67252012000400018&script=sci_arttext.

This shift was clearly connected to a changing global power structure. Referring to the realignment of forces in the international system at the turn of the 21st century and the role foreseen for Brazil in it, former Brazilian Foreign Minister, Celso Amorim, commented:

There is plenty of evidence that power is in fact being diluted, as a larger number of countries have become stakeholders of global stability. This may not be true when it comes to sheer military might, but it is certainly the case if power is understood in a wider sense: that of influencing the behaviour of other actors and, ultimately, the course of events. The rise of big developing countries — Brazil, China, India, South Africa, Indonesia, Mexico, Egypt, Turkey, among others — is the most important phenomenon of the post-Cold War period.⁵⁴

Brazil also intensified its efforts to enter what the influential diplomat Celso Amorim termed the *inner sanctum* of the United Nations. Fostering relations with the Arab world was seen as helpful in acquiring their support for becoming a member of the United Nations Security Council (UNSC), which has notoriously been difficult.⁵⁵ In fact, when one analyzes the foreign policy of former President Lula (2003-2010) and current President Dilma Rousseff (since 2011, also from the PT), one cannot dissociate the economic doctrine of “changing the commercial geography of the world” and the political attempt to shape Brazil’s role in the world from the subsequent policies of increasing relations

⁵⁴ Celso Amorim, “Brazilian Foreign Policy under President Lula (2003-2010): an overview,” *Revista brasileira de política internacional*, Vol. 53, Special ed., December 2010, p. 215, <http://dx.doi.org/10.1590/S0034-73292010000300013>.

⁵⁵ Paulo Roberto de Almeida, “Never Before Seen in Brazil: Luis Inácio Lula da Silva’s grand diplomacy,” *Revista brasileira de política internacional*, Vol. 53, No. 2, 2010, p. 167, <http://dx.doi.org/10.1590/S0034-73292010000200009>.

with the Arab countries of the Middle East and North Africa.⁵⁶

Shaping its international profile can also be seen as a factor driving Brazil’s increasing attempts to become involved in the grand geostrategic issues of the last decade, that is the Israeli–Palestinian conflict, the Israeli–Iranian confrontation, and the Syrian crisis.

In 1990, Brazil condemned the Iraqi invasion of Kuwait, but did not take part in the military coalition that fought against Iraq, stating that it firmly believed that “economic sanctions and the UN embargo against Iraq should be given time to produce the desired effects.”⁵⁷ This was in line with Brazil’s foreign policy principles of non-intervention and peaceful multilateral action, even though Brazil at times also showed different tendencies. In 1997, while Brazil exercised its eighth mandate in the United Nations Security Council (UNSC), the diplomatic crisis between the United States and Iraq over the issue of international inspections of the Iraqi program for weapons of mass destruction reached one of its peaks. Following talks with the U.S. ambassador to the UN, Brazil — as Messari recounts — declared at the UNSC that “the situation required a firm position on the part of the Security Council and that if all peaceful measures failed, the UNSC

⁵⁶ In December 2003, Lula was the first democratically elected Brazilian president to visit Arab countries. However, he was not the first Brazilian head of state to do so. In 1983, during the military dictatorship, President João Baptista Figueiredo visited Algeria as part of a trip to several African nations. Long before that, Emperor Dom Pedro II, who ruled Brazil from 1840 to 1889, visited Egypt in 1871 and 1877, touring through Palestine, Lebanon, and Syria. In 2003, Lula chose to visit five Arab countries: Egypt, for its regional importance; Syria and Lebanon, from where most Arab immigrants in Brazil came; Libya, due to relations with Gaddafi; and the United Arab Emirates.

⁵⁷ Nizar Messari, “O Brasil e o mundo árabe,” in Henrique Altemani de Oliveira, Antônio Carlos Lessa (eds.), *Relações internacionais do Brasil: temas e agendas*, Vol. 1, São Paulo, Saraiva, 2006, p. 250.

should deploy military force.”⁵⁸ Never before, or after, has Brazil considered the possibility of supporting military intervention in the region.⁵⁹ The move arguably reflects how far Brazilian diplomacy had distanced itself from the Arab countries. This changed specifically under Lula, whose first presidential term began shortly before the occupation of Iraq (March 2003). The new president condemned the U.S.-led invasion and defended peaceful multilateral action through the UN to solve the conflict. Messari draws a clear summary of Brazil’s evolving foreign policy toward the Arab world when he says that

*[t]he relations between Brazil and the Arab World in the post-Cold War period went through three different phases. The first phase consisted of a decrease in trade flows and political relevance on both sides. The second, at the beginning of Cardoso’s presidential mandate, was characterized by a re-warming of commercial relations between Brazil and the Arab World. However, this was not followed by political rapprochement. Finally, during Lula’s government, there was a clear increase in trade, together with growing political relations between Brazil and the Arab World.*⁶⁰

Under Lula, Brazil fostered relations not only with the Arab world, but also with Israel. Indeed, maintaining good relations with both the Arab countries and Israel is part of the Brazilian policy in the region and its attempt to seek a more active role

⁵⁸ See Nizar Messari, “O Brasil e o mundo árabe,” cit., p. 256.

⁵⁹ This exception can be explained by the political pressure applied by the U.S. ambassador on President Cardoso, who pursued a relatively aligned policy with the United States and thus accepted to support their plea for intervention. President Lula would stress again the need for more autonomy from U.S. foreign policy.

⁶⁰ See Nizar Messari, “O Brasil e o mundo árabe,” cit., p. 261.

as a mediator in the Israeli-Palestinian conflict.⁶¹ According to Amorim,

*that Brazil can contribute to the Middle East peace process is not only our view, but also that of countries in the region. As far back as 1993, serving as Minister under a previous Government, I had an interview with then Foreign Minister [...] Shimon Peres, who urged Brazil to be more involved in the Middle East in order to exercise, in his words, a ‘moderating influence on the Arabs.’ Whatever the merits (and biases) of such assertion, it shows the Israeli interest in a bigger presence for Brazil in the region.*⁶²

This still applies today, even though relations between Brazil and Israel have been somewhat strained by a series of Israeli actions, such as the July 2006 invasion of Lebanon, the January 2009 attack on Gaza, the 2010 *Mavi Marmara* incident, and the recent decision to build 3,000 new settlement units and to develop the controversial E1 area in retaliation for the UN approval of Palestine’s observer status, which led to Brazil summoning the Israeli ambassador. It is notable, however, that this has not affected commercial and scientific treaties, or bilateral relations in general. The fact is that Israel was the first country in the region to sign a free trade agreement with Mercosur in 2007 and it is the only country in the region with which Brazil currently has relations in the field of defense and arms (see the section below on economics and trade). Foreign Minister Antonio Patriota visited Israel in October 2012 and met with Israeli Foreign Minister Avigdor Lieberman, President Shimon Peres, and Prime Minister Benjamin Netanyahu to discuss economic relations and express support

⁶¹ Brazil also has a large Arab immigrant population and a large Jewish community, living side by side and integrated into Brazilian society.

⁶² Celso Amorim, “Brazilian Foreign Policy under President Lula (2003-2010),” cit., p. 235-236.

for a peaceful settlement of the Israeli-Palestinian question, before moving on to the Occupied Palestinian Territories to meet with the Palestinian Authority.

In its approach toward the conflict, Brazil upholds UN resolutions, defends the birth of Palestine on the pre-1967 borders with East Jerusalem as the capital, and recognizes the Palestinian right of return. In 2010, Brazil recognized the state of Palestine in pre-1967 borders and with East Jerusalem as its capital, and was followed in this move by almost all South American countries with the exception of Colombia. In 2012, Brazil not only supported the Palestinian bid for observer status at the UN, but also lobbied other South American countries to vote in favor of it. Brazil was also one of the few “developing countries” to attend the Annapolis Conference in November 2007. After the Israeli attack on Gaza in January 2009, Minister of Foreign Relations Celso Amorim visited the region and announced a donation of \$10 million, followed by a second donation of the same amount, to support reconstruction in Gaza and development in the West Bank. It should be noted that Brazilian aid for the reconstruction of Gaza was donated to the United Nations. Brazil does not maintain any regular contact with Hamas and views the PLO as the official Palestinian representative. However, the Brazilian government does not consider Hamas a terrorist or enemy entity. If Hamas enters the PLO, Brazil will have official relations with the group.

Brazil also maintains normal relations with Teheran. It opposes coercive measures such as international sanctions or a military strike against Iran’s nuclear program, but also urges the country to cooperate with the International Atomic Energy Agency (IAEA). In 2010, under Lula’s term and together with Turkey, Brazil negotiated a swap of Iranian low-enriched uranium with Turkish enriched fuel, but support for the deal from Europe and the United States was meager; the U.S.

Congress passed tougher sanctions soon after. When Dilma Rousseff entered office, Brazilian foreign policy became less active regarding mediation on the Iranian nuclear file and the new president has also criticized human rights violations in Iran.

Finally, it should be noted that in a broadening conception of the Atlantic,⁶³ Brazil might play an increasingly important role specifically for countries in the Maghreb and Western Africa. Morocco is already trying to involve Brazil in discussions about the future of African food security, cooperation in West Africa, and maritime security and cooperation in the South Atlantic. Since 2011, the Brazilian Ministry for Agricultural Development, and the Moroccan Ministry for Agriculture and Maritime Fishing have established direct collaboration for the exchange of practices and research in food security, family agriculture, and agriculture under dry conditions.⁶⁴

The Domestic Dimension

When the initiative for the ASPA Summit was launched in 2003 (the Summit was held in 2005), fear of Islamic terrorism and Islamophobia was peaking around the world. According to the Brazilian Minister of Foreign Relations, Antonio Patriota, voices were raised against the idea of increasing relations between South America and Arab countries. But Brazil and its partners engaged in the Summit precisely to try to decrease the overall hostility toward the Arab countries, and establish an agenda of cooperation: “This effort, at the moment in which Muslims were

⁶³ See Ian O. Lesser et al., “Morocco’s New Geopolitics. A Wider Atlantic Perspective,” GMF Wider Atlantic Series, February 2012, <http://www.gmfus.org/archives/morocco-new-geopolitics-a-wider-atlantic-perspective>.

⁶⁴ For the overall economic and trade relations between these two countries, see Ministério das Relações Exteriores, *Dados básicos e principais indicadores econômico-comerciais Marrocos*, updated September 2012, <http://www.brasilglobalnet.gov.br/ARQUIVOS/IndicadoresEconomicos/INDMarrocos.pdf>.

Table 1 – Commercial Flows between Brazil and Arab Countries 2005-2011 and 2012
(*Jan-Aug) (in US\$ million)

Description	2005	2006	2007	2008	2009	2010	2011	Growth 2005-2011	2012(*)
Brazilian exports	5.209	6.676	6.967	9.818	9.390	12.575	15.131	190.5%	9.316
Brazilian imports	5.305	5.371	6.458	10.481	5.221	6.966	9.985	88.2%	7.703
Total	10.514	12.047	13.425	20.299	14.611	19.540	25.116	138.9%	17.019
Balance	-96	1.306	509	-663	4.169	5.609	5.147	--	1.613
UAE	2823	9886	11874	3751	2355	1861			

Source: Ministério das Relações Exteriores, Intercâmbio comercial América do Sul-Países árabes e Brasil-Países árabes, updated September 2012, <http://www.brasilglobalnet.gov.br/ARQUIVOS/IndicadoresEconomicos/IntercAmericaSulPaísesArabes.pdf>

being stigmatized, created the conditions for strengthening mutual trust between Brazil — and South America — and the Arab world.”⁶⁵

That fact that Brazil is home to the largest Arab population outside the Arab countries and that the integration of these immigrants into Brazilian society throughout the 20th century in a climate of acceptance and respect has favored Brazil’s current policy of increasing relations with the Arab world and allowed the country to present itself as a tolerant multiethnic society with a tradition of commitment to peace and non-intervention. There are 10 to 12 million Arab-origin Brazilians, who came to Brazil in several immigration waves starting in the 1870s. The largest immigration waves, from the regions of Lebanon and Syria, but also Egypt, Palestine, and Iraq, occurred in the 20th century. They played a significant part in shaping Brazilian culture and society, and helped to increase local commerce, industry, and several professions. Second generation Arab immigrants tended to abandon their mother tongue soon, and to be

⁶⁵ Antonio de Aguiar Patriota, “Tempos de mudança no Mundo Árabe,” *Política externa*, Vol. 20, No. 1, June-August 2011, p. 15, available at http://www.cebri.org/midia/documentos/patriota_e_ouro_preto_-_politica_externa_20-01.pdf.

viewed not as Arab-Brazilians, but as full Brazilian citizens of Arab origin.⁶⁶ Finally, the Arab-Brazilian Chamber of Commerce is a 60-year old institution, certified by the Arab League, and in many ways active in promoting relations between both regions.

The Economic Dimension

It is undeniable, as stated by the President of the Arab–Brazilian Chamber of Commerce (*Câmara de Comércio Árabe Brasileira*, CCAB), Salim Taufic Schahin, that there is a growing effort on the part of the Brazilian government to intensify relations with the Arab world.⁶⁷ Trade between Brazil and the Arab countries doubled from 2005 to 2010, reaching almost \$20 billion that year, and grew to \$25 billion in 2011, as shown in Table 1.

For reasons related to the international crisis, 2012 has been considered a difficult year for Brazilian

⁶⁶ See Arlene Clemesha, “Arab Immigrants in Brazil,” in Al Jazeera Centre for Studies, *Brazil: A Rising Power in Latin America*, Doha, Al Jazeera Centre for Studies and Arab Scientific Publishers, 2010, available at http://www.4shared.com/office/Q6JKoGk8/Arab_immigration_to_Brazil_Jan.html.

⁶⁷ Quoted by Aurea Santos, “Exports to the Arabs grow by 20%,” ANBA. *Brazil-Arab News Agency*, January 31, 2012, http://www2.anba.com.br/noticia_corrente.kmf?cod=13028777.

foreign trade. While overall sales fell by 4.9 percent, sales to the Arab countries fell by 3.43 percent from January to September 2012, due not only to the slowdown in demand for products, but also to the drop in the price of iron ore on the foreign market.

Sugar and meat make up 50 percent of Brazilian sales to Arab countries, followed by corn, wheat, and iron ore. Brazil's main partners in the region, after Saudi Arabia and the Gulf countries, are Egypt and Algeria. Sales to Egypt recovered quickly after the revolution that ousted Hosni Mubarak and destabilized the economy, reaching almost \$2 billion in 2012, while sales to Algeria reached \$830 million in the same period.

The Arab countries of the Maghreb are important purchasers of Brazilian agricultural machinery, while the Mashreq with Egypt, Palestine, Jordan, Lebanon, and Syria is a prosperous market for commodities and civil construction. The region as a whole presents some facilitating factors for trade, such as relatively low tariffs and an expanding middle class. Another interesting characteristic is that, although several constantly reiterated diplomatic and trade missions are needed to establish commercial ties with the Arab countries, once confidence is built, it has the potential to spread in the region. In fact, according to the trade consultants at the Arab Brazilian Chamber of Commerce, if there is a drop in demand for a certain product in one country, other Arab neighbors are usually capable of compensating and balancing the flow.

As for the products Brazil imports from the Arab countries, they are mainly oil, oil derivatives, and fertilizers, mostly from Saudi Arabia, Algeria, Egypt, the United Arab Emirates, and Morocco. However, if we analyze the picture above in the context of Brazilian sales worldwide from 2003 to 2010, what we notice is that, despite large engagement on the part of the Brazilian

government, the Arab countries account for a relatively small portion of Brazilian international sales.

In 2003, 22 percent of Brazilian exports went to the United States. In 2010, this figure dropped drastically to 9.5 percent of Brazilian sales. The 13.5 percent that was lost was shifted mainly to China (whose percentage grew from 6.2 percent to 15.25 percent of total Brazilian sales). During the same period, the share of the Arab countries, including the Gulf countries, grew from 4 to approximately 6 percent of Brazilian exports.

According to Cesar and Sato, that means that although the efforts to increase trade with the global South did result in a larger trade flow with the Middle East and Africa, diversification was not as large as expected. The natural increase in Chinese demand for commodities counted more than all the Brazilian diplomatic efforts to increase commercial diversification,⁶⁸ including the Free Trade Agreements Brazil signed in the framework of the Mercosur with Egypt (2010) and Palestine (2011), and the Preferential Trade Agreements signed with Syria and Jordan (2010). Negotiations for Free Trade Agreements are also underway with Morocco and the Gulf Cooperation Council (GCC). It is important to mention that this does not diminish the relevance of the increase in Brazilian trade relations in the Southern and Eastern Mediterranean, but it does raise questions about the sustainability of the Brazilian foreign policy of insertion through diversification.

Furthermore, the specific role Israel plays in Brazil's developing economic ties with the region is notable, specifically in the area of defense and arms. In 2003, the Brazilian Air Force opened an office in

⁶⁸ Susan Elizabeth Martins Cesar and Eiti Sato, "A Rodada Doha, as mudanças no regime do comércio internacional e a política comercial brasileira," *Revista brasileira de política internacional*, Vol. 55, No. 1, 2012, p. 186, <http://dx.doi.org/10.1590/S0034-73292012000100010>.

Tel Aviv and in 2010, the then Brazilian Minister of Defense, Nelson Jobim, visited Israel. Brazil is negotiating the purchase of Israeli drones (to be used for monitoring borders) and Israeli defense industries, such as the Elbit company, have growing investments and partnerships with Brazilian industries. In contrast, Brazilian relations with the Arab countries in the field of defense are at the talks stage only and negotiations are underway with the Arab Gulf countries. Defense relations have not been effectively restarted and put into practice since the paralysis of the 1990s (in the 1970s and 1980s, Brazil sold military equipment, mainly tanks, to Iraq).⁶⁹

Israel was also the first country to sign a Free Trade Agreement with Mercosur. Negotiations began in 2005 and an Agreement for Scientific Cooperation was signed, but they were suspended when Israel invaded Lebanon, and bombed South Beirut in July–August 2006. The Israeli military attack against South Lebanon and Beirut had a negative impact on Brazilian public opinion. Many Brazilian citizens living in Lebanon were among the 1 million Lebanese who fled the country during the war. The Brazilian government had to organize rescue expeditions to bring these individuals home safely. As the war ended, negotiations were resumed and the FTA was signed in 2007.

According to the Israeli Ministry of Industry, Trade, and Labor, more than 700 industries and businesses sell their products to Brazil, but Brazil's interest in Israel has not increased due to a "lack of knowledge of the Israeli market, which is small but rich."⁷⁰

⁶⁹ See "Oriente Médio: Defesa," in Ministério das Relações Exteriores, *Balanco de Política Externa 2003/2010*, <http://www.itamaraty.gov.br/temas/balanco-de-politica-externa-2003-2010/2.4.5-oriente-medio-defesa/view>.

⁷⁰ Amcham, *Israel quer triplicar comércio com o Brasil, segundo chefe de missão econômica israelense no país*, June 28, 2012, <http://www.amcham.com.br/regionais/amcham-sao-paulo/noticias/2012/israel-quer-triplicar-comercio-com-o-brasil-segundo-chefe-de-missao-economica-israelense-no-pais>.

Nevertheless, bilateral trade with Israel has grown considerably, from \$1 billion in 2007 to \$1.4 billion in 2011, with a negative balance sheet for Brazil of \$406 million.⁷¹

Brazil buys mainly chemicals and fertilizer (50 percent of total imports) from Israel, followed by telecommunications and electrical equipment (8 percent), machinery (6 percent), and high precision instruments and airplanes. The main products sold to Israel are once again sugar and meat (50 percent of total sales), followed by seeds and grains (10 percent), plastic (6 percent), wood, copper, and other products such as coffee.

The Impact of the Arab Spring

When the Arab revolutions began, in December 2010–January 2011, at the very beginning of Dilma's government, the Brazilian Ministry of Foreign Relations was not only taken by surprise — as was the rest of the world — but it also took it a long time to issue declarations condemning the abusive use of force against demonstrators. In the cases of Syria and Libya, the *Itamaraty* faced a dilemma of how to defend the conflicting principles of human rights and national sovereignty of two friendly regimes who were massacring their own people, not to mention the protection of Brazilian investments in both countries.

President Dilma's foreign policy had been slightly adapted to include a principled defense of human rights, as a reaction to the criticism that Brazil suffered over its close links to Iran at a time when the country's high court was about to issue a death sentence by stoning to Iranian citizen Sakineh Ashtiani, leading to an international outcry. But this change was only in form and not in substance. The basic guiding principles continue to be Brazil's

⁷¹ Ministério das Relações Exteriores, *Dados básicos e principais indicadores econômico-comerciais: Israel*, updated October 2012, <http://www.brasilglobalnet.gov.br/ARQUIVOS/IndicadoresEconomicos/INDIsrael.pdf>.

traditional defense of national sovereignty and non-intervention in foreign relations.

In the case of Libya, Lula had enjoyed friendly relations with Colonel Muammar Gaddafi, bilateral trade and investments had increased, and the Brazilian petroleum company, Petrobras, had resumed exploration for Libyan oil and gas in 2005, together with the Libyan National Oil Corporation (NOC).

During the crisis, Brazil supported the measures of UNSC Resolution 1970, approved in February 2011 (arms embargo, ban on foreign travel, and freezing of Muammar Gaddafi's bank accounts, and the submission of the case to the International Criminal Court), and the decision to suspend Libya from the United Nations Human Rights Council. But, on March 17, Brazil together with Germany, China, India, and Russia, abstained from UNSC Resolution 1973 that created a no-fly zone in Libya.

Brazil supported the need for dialogue and, arguing the case for non-intervention, Brazilian Minister of Foreign Relations Antonio Patriota stated,

*during the demonstrations [...] the Arabs have abstained from blaming foreign actors for their frustrations: the popular movements in the Middle East and North Africa have been spontaneous and local. Therefore we are concerned that the use of military force in the region might alter that narrative.*⁷²

President Dilma, more than her predecessor Lula, has based international initiatives as much as possible on multilateral action with the so-called emerging nations. In August 2011, Brazil, India, and South Africa (IBAS) sent a joint diplomatic mission to Syria to hold peace talks with President Bashar al-Assad, but with no concrete results except for a final declaration that simply condemned

⁷² Antonio de Aguiar Patriota, "Tempos de mudança no Mundo Árabe," cit., p. 15.

violence "on both sides." That same month at the United Nations Security Council (UNSC), Brazil — once more with India and South Africa — abstained from voting a resolution against al-Assad. Causing much worldwide indignation and criticism, Russia and China vetoed the motion and every other future attempt to deploy force to stop al-Assad's violence against the opposition and innocent civilians.

However, at the United Nations Human Rights Council (UNHRC), Brazil voted against the actions of al-Assad's regime. Finally, on November 13, 2012, Minister Patriota declared that Brazil is willing to take part in any United Nations peace mission to Syria, as it has done in other regions in the past, and that it will wait for official UN recognition of the *National Coalition for Opposition Forces and the Syrian Revolution*, before granting its own recognition to the umbrella organization formed during negotiations in Doha.

These specific initiatives notwithstanding, the *Itamaraty* has been more reactive than proactive to the events of the Arab revolutions. This may be due to the fact that, in spite of the unprecedented efforts to increase relations during Lula's government, the *Itamaraty* continues to ignore the history and realities of the region.⁷³ There are not enough studies conducted on the region, as mentioned by Foreign Minister Patriota himself.⁷⁴ At the seminars organized by academia, the Senate's Commission for Foreign Relations, and other government organs, the Brazilian response to the Arab revolutions has been considered slow and not

⁷³ See Hussein Ali Kalout, "Oriente Médio: Itamaraty sem estratégia," *Folha de São Paulo*, July 23, 2012, <http://www1.folha.uol.com.br/fsp/opiniao/56029-oriente-medio-itamaraty-sem-estrategia.shtml>.

⁷⁴ The Brazilian Foreign Minister Antonio Patriota stated that, given the large Arab immigrant community in Brazil, it is actually "surprising the relative ignorance of this region in Brazil." See Antonio de Aguiar Patriota, "Tempos de mudança no Mundo Árabe," cit., p. 14.

as contextualized as it could have been. Spektor also observes that the Brazilian government's concrete investment in foreign policy has not corresponded to official ambitions: "There are not enough human and budget resources [...] Syria, Libya, and the global financial crisis are good examples of the lack of connections between the discourse of multilateralism and viable alternative solutions."⁷⁵

Although the Brazilian tradition of non-intervention has been constantly and, one may say, consistently sustained, Dilma's slow and hesitant foreign policy has been reflected in the lack of immediate condemnations of the use of force during the periods of revolution and civil war in Libya and Syria. This has probably created a setback for Brazil, and although the civil war itself accounts for the retreat, the fact is that friendship and confidence will have to be restored in those countries.

In regard to the region in general, Brazil has maintained the effort to build ties and confidence. The Brazilian democratic transition in the 1980s is viewed as a model for the Arab countries, and Brazilian academics and government officials have participated in political forums mainly in Egypt, Tunisia, and Qatar.⁷⁶ Antonio Patriota visited Egypt in May 2011 and the Egyptian President Mohammad Morsi had planned to visit Brazil in October 2012, but postponed his trip due to internal matters.

Conclusions

This paper has argued that the systematic drive toward the Southern and Eastern Mediterranean is aimed at building a political role for Brazil in the

Middle East and in the world. Brazil has pursued this by setting up the ASPA Summit, as well as through intensified visits and exchanges, and growth in trade and economic exchanges. It is also shaping its international role by seeking more active involvement in important geostrategic issues such as the conflict surrounding the Iranian nuclear program or the Israeli–Palestinian conflict.

The Arab Spring has not changed this foreign policy approach to the region, but was rather perceived as an opportunity by Brazil, which views its democratic transition of the 1980s as a possible model for the Arab countries but does not intend to impose it. It should also be noted that the Itamaraty has not issued an official declaration expressing concern over the rise of political Islam. In fact, Brazil has normal relations with fundamentalist regimes, such as Iran, semi-religious states such as Israel, feudal monarchies such as Saudi Arabia and Qatar, and has never objected to the Islamic character of the political parties that now govern Egypt (the Justice and Liberty Party) or Tunisia (Ennahda).

Nonetheless, in the areas that concern Brazil's overall commercial, political, and strategic relations in the Southern and Eastern Mediterranean, the general assessment is that there is still a large field to be explored in terms of increasing and diversifying bilateral trade and investments, and strengthening diplomatic relations.

⁷⁵ Matias Spektor, "Vai para onde?" *Folha de São Paulo*, November 14, 2012, <http://www1.folha.uol.com.br/colunas/matiasspektor/1185303-vai-para-onde.shtml>.

⁷⁶ See Pedro Bohomoletz de Abreu Dallari, "A experiência constitucional brasileira na transição árabe," *Política Externa*, Vol. 21, No. 1, June–August 2012, p. 91–94.

The image features a solid brown background with several horizontal white lines. Small white dots are placed at various intervals along these lines, creating a minimalist, grid-like pattern. The lines and dots are distributed across the page, with a higher density in the lower half.

G|M|F OFFICES

WASHINGTON • BERLIN • PARIS • BRUSSELS
BELGRADE • ANKARA • BUCHAREST • WARSAW • TUNIS

www.gmfus.org