



Can China Help Syria and the Mideast Exit War Economies?

Dr Christina Lin

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Abstract

Western approach towards peace-building suffers from a state-centric bias, despite the fact that international conflicts have regional economic spillover effects on neighboring states. For example, current US and EU policies to sanction Syria and block reconstruction aid is preventing Damascus and regional countries from exiting war economies. By isolating Syria, a key trading hub and transport corridor linking Levantine countries with the Arab Gulf region, Lebanon and Jordan's trade have plummeted and risk economic collapse and destabilization. Given the interconnectedness of conflicts and economies, taking a regional rather than state-centric approach into peace talks might lead to better outcomes. To that end, China's Belt and Road Initiative that takes a regional approach towards the Levant, may be able to play a constructive role in post-conflict reconstruction and stabilization efforts, and help regional countries exit war economies.

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Analysis

US President Donald Trump's recent announcement of a troop withdrawal from Syria has prompted a flurry of op-eds and commentaries in the Washington Beltway on the costs and benefits of this decision. The US foreign-policy establishment has justified America's presence in Syria as part of the war on Islamic State (ISIS), and complained that Trump's decision would result in the resurgence of the extremist group.

In reality, Washington has been more focused on isolating the Syrian government and keeping it off balance, and preventing Damascus and neighboring regimes from exiting war economies. And as Professor Jeffrey Sachs of Columbia University wrote in a January 2 *Project Syndicate* article¹, it was actually the US attempt to overthrow² the Syrian government and arming Islamist rebels that gave rise to ISIS' presence in that country.

Currently the US and its European allies are blocking reconstruction aid to Syria – estimated by the World Bank to be US\$250 billion – until there is a political settlement that preferably paves way for President Bashar al-Assad's departure – regime change. As US special envoy to Syria James Jeffrey warned³ back in September, if the Syrian government blocks a new constitution, Washington will impose additional sanctions and "we will make it our business to make life as miserable as possible for that flopping cadaver of a regime."

However, conflicts have negative spillover effects on neighboring countries, and in the face of pressing regional security problems with terrorism, economic woes, and a need for immediate infrastructure, investment and trade, desperate Levantine countries are increasingly looking to a new actor – China – for much-needed quick economic relief.

State-centric vs regional approach

There are several reasons China's approach toward the Middle East is much more attractive to countries in the region than the US approach.

First, China is focused on long-term economic investments, whereas the US is preoccupied with military investments. Geoffrey Aronson, an expert on Middle East affairs and chairman of the Mortons Group consulting firm, has observed Washington's and Beijing's different approaches⁴, with the US spending money on dropping bombs or building military infrastructures while China saw a big opportunity to cash in.

"We're, in a sense, not in the business of rebuilding infrastructure and development not directly related to our military presence," Aronson noted. "We'll build an airstrip, a base. The Chinese will build a railroad, a port; they're investing in the future."

¹ Jeffrey D. Sachs, "Trump's Syria Withdrawal is a Chance for Peace", *Project Syndicate*, January 2, 2019, <https://www.project-syndicate.org/commentary/trump-syria-withdrawal-chance-for-peace-by-jeffrey-d-sachs-2019-01>

² <https://www.youtube.com/watch?v=wL7zsabySwI>

³ Lesley Wroughton, "Syria could face tough sanctions if it blocks political process: U.S. diplomat", *Reuters*, September 28, 2018, <https://www.reuters.com/article/us-syria-crisis-usa/syria-could-face-tough-sanctions-if-it-blocks-political-process-u-s-diplomat-idUSKCN1M82NT>

⁴ Tom O'Connor, "China May Be the Biggest Winner of All if Assad Takes Over Syria", *Newsweek*, January 19, 2018, <https://www.newsweek.com/china-did-not-fight-syria-won-war-754644>



Indeed, General Stanley McChrystal⁵ and other US military leaders have criticized Trump and warned that the US will lose its influence by withdrawing the 2,000 troops in northern Syria, where it has also built ten military bases⁶.

Second, Washington suffers from a state-centric bias on the peace process, despite the fact that international conflicts have regional economic spillover effects⁷ on neighboring states.

For example, before the war, Syria was a vibrant trading hub that linked Turkey, Lebanon and Syria itself with Jordan, Egypt and the Arab Gulf states, and was Lebanon's only land-based trade corridor⁸. As border crossings for trade with Syria were vital arteries for Jordan⁹ and Lebanon, ongoing US and European Union sanctions on Syria have a negative contagion effect on neighboring economies.

As a result of the war and continued sanctions, both countries' trade has plummeted and are now at risk of destabilizing economic collapse, with Beirut's debt ration at 150% of gross domestic product. With Lebanon and Jordan hosting 1.3 million and 660,000 Syrian refugees respectively, the economic crisis is also provoking a new wave of refugees in Lebanon to flee to Cyprus and Europe¹⁰, exacerbating the EU refugee crisis.

This is unfortunately similar to the contradictory US policies in Central and South Asia, where Washington's state-centric approach to rebuilding Afghanistan and promoting regional economic integration, while simultaneously sanctioning and isolating its large neighbor Iran, has posed challenges to Afghan efforts for regional connectivity.

Moreover, ignoring regional dimensions of conflicts may also create a balloon effect¹¹, whereby instability and conflict are displaced from one country to a neighboring country.

Reconstruction first or political settlement?

Given the interconnectedness of conflicts and economies, then, if Washington could incorporate more of regional countries' perspectives rather than a state-centric perspective into peace talks and peace-building, it might lead to better outcomes.

Already, Jordan and Lebanon are attempting to relieve their economic woes by boosting trade and the prospect of refugees returning to Syria, while the United Arab Emirates, Bahrain and Kuwait are reopening their embassies in Damascus. Egypt has also asked the Arab League to re-admit Syria.

⁵ Hugh Hewitt, "In Withdrawing from Syria Trump Makes a Major Error", *Washington Post*, December 20, 2018, https://www.washingtonpost.com/opinions/2018/12/20/withdrawing-syria-trump-makes-major-error/?noredirect=on&utm_term=.aeb298fc1b15

⁶ Roy Gutman, "Turkey Leaks Secret Locations of U.S. Troops in Syria", *Daily Beast*, July 19, 2017, <https://www.thedailybeast.com/turkey-leaks-secret-locations-of-us-troops-in-syria>

⁷ Kaysie Studdard, "War Economies in a Regional Context: Overcoming the Challenges of Transformation", International Peace Institute Policy Report, March 14, 2004, <https://www.ipinst.org/2004/03/war-economies-in-a-regional-context-overcoming-the-challenges-of-transformation>

⁸ Josh Wood, "Syrian war deals heavy blow to Lebanon's export business", *The National*, September 26, 2015, <https://www.thenational.ae/world/syrian-war-deals-heavy-blow-to-lebanon-s-export-business-1.127856>

⁹ Chloe Cornish, "Reopening of Syrian-Jordan border revives regional trade", *Financial Times*, October 29, 2018, <https://www.ft.com/content/e580c1a6-d6de-11e8-aa22-36538487e3d0>

¹⁰ Sunniva Rose, "Desperate Syrians risk lives at sea escaping Lebanon", *The National*, November 25, 2018, <https://www.thenational.ae/world/mena/desperate-syrians-risk-lives-at-sea-escaping-lebanon-1.795737>

¹¹ <https://www.vox.com/xpress/2014/8/30/6083923/drug-war-on-drug>

And as regional countries have reopened border crossings and are proceeding with trade and postwar reconstruction, it seems the Beltway pundits' feared waning US influence will likely not be caused by its troop levels, but rather by continued US dismissal of regional stakeholders' interests.

China for one takes the view that security follows economic development, and has made it clear that reconstruction comes before political settlement. It is adopting a regional approach to the Levant and now views Lebanon as a platform for reconstruction in Syria and Iraq.

Last January, the China Council for the Promotion of International Trade chose Lebanon as its Middle East, North Africa headquarters¹². Last month, the Port of Tripoli¹³ became a central destination for weekly shipments from China to the eastern Mediterranean region.

According to Lebanese Economy Minister Raed Khoury¹⁴, China doesn't "look at Lebanon as a small country of four million citizens but as a country with huge potential given its geographical location." There has also been talk of rehabilitating the Tripoli-Homs railway network, and coupled with a planned Tripoli Special Economic Zone adjacent to the port, Tripoli could be a useful hub and link to some of Syria's most devastated areas such as Homs and Aleppo.



¹² "China's trade body chooses Lebanon as Mideast, North Africa headquarters", *Xinhua*, January 16, 2018, http://www.xinhuanet.com/english/2018-01/16/c_136900363.htm

¹³ "Interview: Lebanon's Tripoli port becomes central destination for weekly shipments from China to Eastern Mediterranean: Director", *Xinhua*, December 25, 2018, http://www.xinhuanet.com/english/2018-12/25/c_137698213.htm

¹⁴ Finbar Anderson, "China looks to invest in north Lebanon", *The Daily Star*, July 12, 2018, <https://www.dailystar.com.lb/News/Lebanon-News/2018/Jul-12/456223-china-looks-to-invest-in-north-lebanon.ashx>



This could allow China's Belt and Road Initiative to play a constructive role in post-conflict reconstruction and stabilization efforts, and while Western powers are blocking reconstruction aid until there is a political settlement to remove the Assad government, it seems Eastern powers in both the Middle East and Far East are bypassing the roadblock and weaving¹⁵ weaving their own path to exiting war economies in the region.

Remarks: Opinions expressed in this contribution are those of the author. This article was first published in *Asia Times* on January 3, 2019.

About the Author of this Issue

Dr. Christina Lin is a Visiting Research Fellow at the Center for Global Peace and Conflict Studies at the University of California, Irvine. She is the author of "The New Silk Road: China's Energy Strategy in the Greater Middle East" (The Washington Institute for Near East Policy), and a former director for China policy at the U.S. Department of Defense.



Christina Lin

¹⁵ "Jordan welcomes a bigger Chinese role in Middle East", *Jordan Times*, July 11, 2018, <http://www.jordantimes.com/news/local/jordan-welcomes-bigger-chinese-role-middle-east>