

GLOBAL CHINA: REGIONAL INFLUENCE AND STRATEGY

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Not long ago, China was viewed primarily as a regional actor with a predominant focus on events in its near abroad. In the span of a few short decades, China has established itself as a global actor. It has solidified its role as one of a small handful of countries with interests spanning the globe and the capacity to act on them. China's presence is now felt in every corner of the world, from the South Pacific to South and Central Asia, the wider Middle East, Latin America, and points in between.

To explore the impact of China's global activism, the papers in this installment of the Brookings Foreign Policy project "Global China: Assessing China's Growing Role in the World" explore China's efforts to expand its influence across different geographic regions, as well as implications of those efforts for the United States and for international order. These papers each reach initial conclusions about what tools China is relying upon to advance its interests, how China's efforts are being met by local actors, and what options exist for those actors — and in some cases the United States — to respond. The papers demonstrate the diversity of methods China is employing to advance its interests. Taken as a whole, though, they highlight China's heavy reliance on economic statecraft as a tool of first resort for pressing gains and for imposing penalties on countries that challenge its interests or push back on its agenda.

The papers also highlight the strategic calculations informing China's ambitions, including in its efforts to develop force projection capabilities in the Indian Ocean region, its sensitivity to Afghanistan becoming a bastion of instability with potential spillover effects onto western China, and its efforts to establish its first

overseas military base in the Horn of Africa. Lastly, in several instances, the papers spotlight uncertainties about whether China will be able to translate bold ambitions into realities.

This collection of papers shows the cost-benefit analyses that countries are navigating as they have entered into partnerships with China.

Ted Piccone examines the tightening embrace between China and the Latin American and Caribbean region. He highlights how China has emerged as a heavyweight in trade and investment and the implications for the region's infrastructure and energy systems, as well as for its politics. China's growing involvement in the region also is fueling rising competition between the United States and China. Piccone argues this dynamic should push the United States to up its game, not by implementing sanctions or attempting to compete dollar-for-dollar with Beijing, but rather by advancing a comprehensive strategy that positions Washington as the partner of choice for tackling major regional challenges.

Harold Trinkunas explores the relationship between Brazil and China, which is largely grounded in trade and investment. Brazil trades nearly twice as much with China as with the United States, a gap that has been widening as a result of trade diversion resulting from the U.S.-China trade war. Brazil and China also have shared common interests in the BRICS (Brazil, Russia, India, China, and South Africa) grouping of emerging powers. Since taking office in January 2019, however, Brazilian President Jair Bolsonaro has challenged the historical trends in the Brazil-China relationship by taking a critical stance on China and adopting a highly

pro-U.S. position. Bolsonaro's foreign policy positions vis-à-vis China have largely mimicked those of the Donald Trump administration. Now, as both Bolsonaro and Trump face wide criticism of their handling of the COVID-19 pandemic, Trinkunas warns that such close U.S.-Brazil relations are unlikely to persist beyond these two like-minded presidents. Brazil-China relations, on the other hand, are likely to grow closer once again on the basis of commercial interests.

Vanda Felbab-Brown discusses China's growing presence in Afghanistan. She argues that Chinese objectives in Afghanistan have now become largely security-related, superseding earlier economic interests, as China seeks to halt anti-Chinese militancy and ensure Uighur militants do not receive support from the Taliban. For that reason, China has reached a rapprochement with the Taliban and not tilted away from Pakistan as the Afghan government hoped. Chinese economic commitments to Afghanistan also remain substantially unrealized. In addition, China increasingly views Afghanistan through a lens of geopolitical competition with India. As the U.S. military presence decreases in Afghanistan, China may step up its role in the country to protect its interests there, which could intensify the China-India rivalry. Despite these factors, Felbab-Brown argues that U.S. engagement in Afghanistan should not be animated by competition with China, but rather be judged on its own merits and based on America's strategic objectives in the country.

Susan A. Thornton challenges the narrative that Chinese activities in Central Asia are damaging to the interests of countries in the region. She argues that Central Asian states have leveraged China's involvement in their favor by using China's regional ambition as bargaining power to elevate their own diplomatic profiles and to push China to act on their development and security priorities, such as infrastructure. She also argues that China's ambitions in the region are kept in check by Russia's sustained interest there, as well as public wariness of China, leading to a dynamic of "warm politics, cold public." Chinese repression of ethnic Muslim minorities has additionally dampened cross-border relations. Thornton argues that Washington should shift its focus away from criticizing China's actions in Central Asia toward articulating its own vision for the region and the role the U.S. can play there.

Pavel K. Baev describes the limits of authoritarian compatibility between Xi Jinping's China and Vladimir Putin's Russia. He argues that even as Beijing and Moscow try to display an outward friendship, they are not natural allies. China is a rising power, while Russia is on a downward trend. Mutual suspicions mar the relationship and undercut any intention to upgrade their relations to a strategic partnership. Baev also observes that structural corruption in both countries creates incompatibilities. Baev argues that the United States should exploit the divergences between the two countries.

Madiha Afzal focuses on the China-Pakistan Economic Corridor (CPEC), the flagship project of China's Belt and Road Initiative (BRI), arguing that the Chinese and Pakistani governments have aggressively controlled the narrative on the project. Its details remain opaque, including the terms of the loans and the overall cost of the project to Pakistan. The U.S. has criticized CPEC, citing what it views as predatory lending and undue benefit for Chinese firms and workers at Pakistan's expense. Yet, for Pakistan, Afzal writes, the project is best seen as the economic peg in a longstanding wider relationship with China which helps counter deepening U.S.-India ties. Afzal argues Pakistan should provide a clearer picture to its public on the terms of this partnership. Doing so might pressure both parties to generate terms for CPEC that are more favorable to Pakistan.

Joshua T. White documents China's expanding engagements in the Indian Ocean region (IOR). He concludes that even though present-day Chinese power projection capabilities in the IOR remain modest, China appears to be pursuing capabilities that would enable it to undertake a range of increasingly complex military missions in the region. White identifies five such missions that would be relevant to China's interests. He cautions that while China's investments in ports and other infrastructure may be difficult to leverage into meaningful military advantages, the coercive nature of China's economic efforts could foster political and strategic vulnerabilities for China. Ultimately, White urges American policymakers to be attentive to Chinese investments in particular capabilities that could presage a more ambitious military role in the region.

Zach Vertin spotlights the Red Sea as a potential theater of great power competition. He notes that China's economic and strategic expansion in the region — including its first overseas military base in Djibouti — has generated concern in U.S. national security circles. Vertin explains that while Washington has viewed Djibouti primarily through a security lens, Beijing has advanced a mix of commercial, technological, and diplomatic investments there, indicative of its approach across the BRI corridor. He observes that China sees its Djiboutian outpost both as a means to project power and as a testing ground — where its military can gain experience and gauge international reaction to a Chinese presence outside the western Pacific. Vertin cautions against the U.S. emphasizing “great power competition” among regional partners, and suggests it focus instead on smart investments, comparative advantages, and multilateral cooperation. Washington, he notes, should also recognize Djibouti and the Red Sea region as part of the wider, and increasingly pivotal, Indo-Pacific domain.

Adel Abdel Ghafar and **Anna L. Jacobs** document China's growing footprint in the southern Mediterranean. They observe that U.S. disengagement from the region and Europe's diminishing influence have created a power vacuum for China and Russia to fill. They highlight that Beijing's ties to the North African region largely center on trade and infrastructure development, affording the region an alternative to Europe and the United States. China's rigid social control and rapid economic growth also have served as an attractive model for leaders across the region. They argue that China also is forging deeper defense ties and closer diplomatic relations, a trend that is unlikely to reverse due to the declining presence of the U.S. and European Union in the region.

Natan Sachs and **Kevin Huggard** examine Israel's relationship with China within the broader context of American and Chinese relations with the Middle East. Israel is torn between its diplomatic and economic interests to work with China and its paramount interest to maintain a close relationship with the United States, which has pressured Israel to limit its engagements with Beijing. Sachs and Huggard write this balancing act will become more difficult as U.S.-China tensions in the region increase amid a rising Chinese presence. As the largest trading partner of many countries

in the Middle East, China already holds significant regional influence. Beijing is wary of taking up a more central political role, but holds several advantages over Washington should it choose to invest more in navigating the region's political fault lines.

Bruce Riedel writes that China's relationship with Saudi Arabia is driven by access to oil — but even though China is now the biggest importer of Saudi oil, there is little strategic cooperation between the two countries. However, Saudi Crown Prince Mohammed bin Salman has notably defended Beijing on its repression of Uighur Muslims in the name of security. Riedel observes that Riyadh still views Washington as its main strategic partner; a majority of its arms purchases come from the United States, and Washington is far more aligned with Riyadh than Beijing is on Iran, Saudi Arabia's regional rival. While a Joe Biden administration would likely downgrade U.S.-Saudi relations, there would be limits to China's ability to take advantage.

Natasha Kassam outlines the causes of the ongoing unraveling of the China-Australia relationship and its economic and security implications. Kassam argues the current situation between the two countries is unprecedented in terms of the breadth of the economic measures — both real and threatened — and Beijing's nonchalance regarding the fallout of its aggressive behavior. She argues that as China has become increasingly assertive in pursuing its goals in Australia, Australia has grown more tolerant of friction in pushing back. China views Australia through the lens of competition with the United States and would like to divide the two allies and weaken America's position in the western Pacific. However, Kassam concludes that China's regional conduct is likely to deepen its clash with other countries in the region. China's pressure on Australia should not be seen as an aberration, but rather as a foretaste of how China will exercise its growing power to advance its strategic objectives.

Jonathan Pryke analyzes China's steadily growing influence in the South Pacific. He writes that China's growing footprint has reached a level that has triggered traditional powers engaged in the region to sound alarm. While observing that China's growing involvement in local affairs has had a corrosive effect on regional governance, Pryke also observes that China may be hitting a wall in how far it can go in

leveraging economic involvement to pursue strategic objectives. Pryke notes that China's increased activism has prompted Australia and New Zealand to up their regional diplomatic game, and expects the coming year to reveal how far China can go in building inroads in the South Pacific.

These assessments collectively offer diverse analyses about China's activities and their implications in different regions of the world, while also highlighting

China's use of economic statecraft as the leading edge of its efforts to gain influence and cases in which a military footprint has followed, or can be expected to follow, closely behind. The analyses also show the many ways in which the United States and its allies and partners have struggled to adapt to China's growing influence and present a range of policy recommendations for decisionmakers in Washington and other capitals to be more agile and effective.

ABOUT THE AUTHORS

The authors are leads on Brookings Foreign Policy's "Global China" project.

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