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## Reports

# Chinese-Israeli Relations: Markets and Arms

**Walid Abdel Hay**

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Al Jazeera Centre for Studies  
Tel: +974-44663454  
jcforstudies@aljazeera.net  
<http://studies.aljazeera.net>

Chinese-Israeli relations offer a unique example of the kind of shifts in international relations for which it is difficult to employ classical international relations literature and most contemporary theories in the field for the provision of a consistent interpretation. Accordingly, relations between China and Israel fall into three phases from 1948 to the present.

### **The First Phase: 1948-1956**

While the Arab League recognised the Republic of China (Taiwan) as the legitimate representative of the Chinese people, Israel announced its diplomatic recognition of the People's Republic of China (PRC), led by Communist leader Mao Zedong. The Arab League's decision reflected Arab interests, or came as a response to the interests and role of western powers in Arab political decision-making. Israel's recognition of PRC did not signify the establishment of diplomatic relations between the two countries, because of the repercussions of the Korean crisis in 1950, and as a result of the transformations affecting China's position after the Non-Aligned Movement's founding conference.

A review of Chinese media during that period indicates that China considered the Arabs aggressors against Israel during the 1948-1950 period, and that 'Arab aggression' against Israel was a result of British instigation. Furthermore, Chinese media's prominent description of Egyptian President Gamal Abdel Nasser during this period was that he was a 'counter-revolutionary military dictator'.

China's aim in that period was to harmonise its foreign policies with those of the Soviets, who were second (after the United States) to recognise Israel. Furthermore, China – like the Soviet Union – believed Israel would become a model of the first socialist country in the Middle East. It seems Israelis were rather aware of China's reality, and regarded the PRC, in comparison to Taiwan, as more qualified to play an international role by virtue of its population size, land mass and historical heritage. This later proved to be correct, and formal diplomatic relations between Israel and China commenced in 1992.

### **The Second Phase: 1955-1978**

Nasser's role in the establishment of the Non-Aligned Movement, his support for China's accession to the movement, the nationalisation of Egypt's Suez Canal and the tripartite aggression against Egypt in 1956 all had significant impact on the rapid transformation of China's relations with Israel from amicable to hostile. Simultaneously, Nasser metamorphosed in Chinese media into a figure of anti-imperialism opposing the 'reactionary' Soviet Union after the Chinese-USSR dispute had begun. During the Suez crisis, demonstrations in favour of Egypt were held in Beijing, and Israel had become 'the claw of imperialism in the region'.

Despite Maoist China's hostility to Israel, until Mao's death in 1976, Israel maintained its position on Taiwan, especially at the diplomatic level (although trade relations were established between the two). Perhaps Taiwan's expulsion from the United Nations in 1971 (which took place in return for the cessation of Chinese support for the Vietnamese in the well known Nixon-Mao pact) marked the beginning of the realisation of Israel's accurate reading of China's international role.

### **The Third phase: 1978 to the Present**

The period between 1976 and 1978 was one of major transition in Chinese history. After Mao's death, there was internal Chinese conflict over the direction to be taken by the state. On the one hand, there was the so-called 'gang of four' and on the other hand, the Reform Movement led by Deng Xiaoping. The conflict ended in the victory of the latter at the eleventh congress of the Chinese Communist Party in 1978. The result was the largest transformation in contemporary China that was manifested in the Four Modernisations programme

It is not possible to understand changes in Chinese foreign policy without understanding the transformations caused by the Four Modernisations programme in the areas of agriculture, industry, scientific research and defence. This is clear from the following aspects of post-1978 China:

1. The adoption of capitalist mechanisms to reform what the programme saw as flaws in the socialist economy. The most prominent of these mechanisms was the recognition of the role of motivated individuals, the liberalisation of foreign trade and openness to foreign investment.
2. A change in the composition of the powerful elite through a preference for technocrats over ideologues, and for younger leaders over older surviving revolutionary leaders or leaders of the Cultural Revolution.

These transformations brought about a gradual change in China's foreign policy, including:

1. A shift from the ideological to the pragmatic, embodied by a slogan often repeated in Chinese political literature after the implementation of the Four Modernisations programme: 'the colour of the cat does not matter as long as it catches mice.'
2. The end of engagement in acute conflicts (such as those of the Middle East), and an orientation towards supporting peaceful resolutions of conflicts so as to create an environment for the development of international trade. Thus, China went from being a state that, according to Mao, sought to 'strike imperialism in all parts of its body' to a state with a mercantilist bend that saw the maximisation of the volume of its foreign trade as its central goal.

This change was an opportunity for Israel to deepen its relations with China, just as China realised that there were great benefits to be gained from a positive relationship with Israel. China's reasons for developing its relations with Israel included:

1. That China recognised that the development of relations with Israel will not have negative consequences for Chinese relations with Arab countries, given the increasing direct and indirect recognition of Israel by Arab states, and the almost complete end of Arab state initiatives to boycott Israel. This Chinese reading proved to be correct; Chinese relations with Arab countries continued to develop rapidly, while its relations with Israel continued evolving. Arab-Chinese trade rose from about fifty-one billion dollars in 2005 to 109 billion dollars in 2009 and seventy billion dollars in the first half of 2010. The volume of trade between China and Israel also increased to 6.7 billion dollars, doubling from 2005 figures.
2. China's desire to use the Jewish lobby in the US Congress in particular and Jewish influence in the world in general. China's most important commercial rival is the United States, and US Congress has passed many pieces of legislation hindering US-Chinese relations in various sectors, including trade and technology. China's perception is that the Jewish lobby carries significant weight in US decision-making. Thus, it sees the development of relations with Israel as a way to push Israel to nudge the Jewish lobby to ensure that Congress decisions are in China's favour. In other words, the more advanced China's relations with Israel are, the less hostile Jewish lobbies in American institutions and in some European countries will be.
3. That China often faces closed doors when trying to access western technology and research. Relations between Chinese technological and scientific enterprises and research centres with their Israeli counterparts give China access to western technology. Relations with Israel are thus regarded as an indirect path to reach western – especially military – technologies. A look at relations between China and Israel during previous periods reinforces this point. Israel sold weapons worth 7.5 billion dollars to China between 1984 and 1994; 164 Israeli companies were involved in technical relations in

various fields with China; the China-Israel agreement in 2000 revealed the extent of military cooperation between the two countries, especially as it pertained to the production of unmanned drones. The latter agreement was blocked by Washington, prompting Israel to pay a fine of 350 million dollars to China to compensate for damages from the cancellation of the planned production of Falcon aircraft.

4. China's desire to attract the investments of Jews from around the world, especially given that Israel has a role to play in promoting joint ventures between Jewish and Chinese capital.

For Israel, there were a number of reasons to develop relations with China as well:

1. Israel's awareness that China is a rising power in the international system. This awareness led Israelis to regard the development of a relationship with China as necessary to ensure Chinese support, especially during crises. China is a nuclear state that has the largest population in the world, and its economic growth rate suggests it will have the largest economy in the world by 2030. Furthermore, China is a permanent (veto-wielding) member of the UN Security Council. Israeli planners therefore saw it necessary to deepen relations with China in all fields. Even though there are no more than 1,500 Jews in China, a Chinese-Israeli Friendship Society has been established, and Hebrew classes have been set up at the University of Beijing, coinciding with Chinese classes at Israeli universities.

2. It is likely that talks between Chen Bingde, commanding general of the People's Liberation Army General Staff Department in Beijing, and Israeli leaders in recent days have included, from the Chinese side, a desire to strengthen relations with Israeli military industrial enterprises and, from the Israeli side, a desire to curb the sale of Chinese missiles to Arab countries, especially given the Israeli belief that some of these missiles were used in Hezbollah's destruction of an Israeli gunboat during the July 2006 war with Lebanon. (Undoubtedly, Israel's sale of missile systems to Taiwan, and a visit by some members of the Israeli Knesset to Taiwan in 2006 were met with a strong response from the Chinese administration.)

3. With a population of 1.361 billion people, the Chinese market is the largest in the world. Economic relations between the two countries could pave the way for Israeli capital investment and the marketing of Israeli products in China.

4. The Israeli desire to rally Chinese support against what Israelis call 'global terrorism'. Given the problems between the Chinese government and Chinese Muslims in Xinjiang province (with a total population of twenty-one million) in western China, and the fact that some Islamic movements in this region have undertaken armed action, albeit limited, against China, the door is open for Israeli-Chinese cooperation under the banner of counterterrorism.

The China's Position on the Palestinian issue

The 1979 Camp David Accord between Egypt and Israel was endorsed by China, and played an important role in dissolving any Chinese diplomatic misgivings regarding relations with Israel. The Oslo Accords and the 1994 Wadi Araba Treaty between Israel and Jordan supported this Chinese orientation.

Despite the consistent Chinese position refusing to recognise Israeli settlements in the 1967 occupied territories, China's support for the right of Palestinians to an independent state on 1967 borders, its rejection of the Israeli transformation of East Jerusalem and its refusal to boycott Hamas (as was done by most European countries and the United States), there are, however, other dimensions to the Chinese position on the Palestinian issue that are noteworthy.

1. China used its talks with Hamas to signal that Chinese policies towards the Muslim minority in Xinjiang were neither based on religion nor against Islam.

2. It seems that through its dialogue with Hamas, China aims to gradually draw Hamas into the orbit of negotiations and recognition of Israel.

3. Some Chinese policies towards Israel appear to be a reaction against some 'negative' Israeli behaviour, such as Israel's continued trade with Taiwan, visits by Israeli academics and politicians to Taiwan and Israel's reception of the Dalai Lama in 1994.

### **The Future of China's Policies Towards Israel**

The orientation and behaviour of Arab states will most likely be a decisive factor in the future of Chinese-Israeli relations. The current Arab revolutions will make China attentive to the revolutions' developments, as the transition to democratic regimes in Arab countries could lead to a shift in their approaches to the management of the Arab-Zionist conflict toward a more rational approach, linking the behaviour of international powers in the Arab-Zionist conflict to the development of Arab relations with China.

If the Arab world plunges into an era of civil wars and internal disturbances, this will pave the way for Israel further to develop relations with China. The main factor, however, is Chinese-US relations. The development or deterioration of these will reflect positively or negatively, respectively, on Chinese-Israeli relations. The issue of Taiwan's reintegration into mainland China may become the subject of future tension between Beijing and Washington, and Israel may find itself in an uncomfortable position if it has to deal with a crisis of this kind.

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\*Walid Abdel Hay is a professor of International Relations and Future Studies.