

China's Role in BRICS & Relevance to GCC-China Relations: Complementarities & Conflicting Interests

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***ABSTRACT:** BRICS is indeed viewed as one of the manifestations of 'Rise of the Rest' as against the West. In this milieu, China remains the main vehicle of this change in global transformations. Concurrently, GCC was seen broadly as a consortium of the era when the West required venturing with the oil producing countries. Nonetheless, there is potential for improvising connectivity between the GCC and the BRICS in the backdrop of complementarities and dealing with differences. This is true because, on one hand, BRICS is rapidly gaining a central control in international development and cooperation. While on the other hand, GCC countries remain the focal point of the world in terms of energy supplies. Their amalgam can further strengthen the place these blocs enjoy in the globe at large. Furthermore, with the 'Dawn of the Asian Century', China is*

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flexing its muscles as an economic giant quite aptly. Since the formulation of its policy of 'opening up' to the world, China has pursued a global agenda of connectivity and growth. Consequently, this rapid development is in consonance with unrestricted energy supply. This is where the GCC countries, especially Saudi Arabia as a major oil exporting country to China, play an important part. In fact, the very rise of BRICS coincides with a radical change in its relations with other countries, specifically with the GCC. For instance, China has succeeded in displacing traditional economic powers, such as Japan, the EU and the US, from the list of the GCC's largest trading partners over the past five years. China has also been successful in completing joint strategic agreements, demonstrated most recently by the Chinese-Kuwaiti joint investment of \$9 billion (Dh33.05 billion) in petrochemicals and oil products. In this regard, this article aims at answering questions like, can this makeup be interpreted as a more strengthened China-GCC relations? What are the complementarities of both China and the GCC in the realm of political, social, economic and security affairs? And are there any conflicting interests?

I. Introduction

1.1. Prelude

The "Rise of the Rest" is one of the most prevalent phenomena in contemporary international relations. Individual States and their groupings are evolving in terms of economy and military might causing a visible decline in the once "hegemonic" posture of the West. In this milieu, China's "flight" from a poverty-stricken country to the second largest economy in the world is indeed an extraordinary upturn. Within the past three decades, China has become one of the most significant countries of the World. It is a key player in strategic upturns of the globe and

also boosts the importance of organizations like the BRICS. Due to growth of its prominence, China is also employing “soft power” in regions like the GCC.

In this regard, it is pertinent to analyze at this point of history the implications of the “rise of China” for the West, particularly the US and also for organizations like the BRICS and the GCC. Despite a huge economy and military might, China itself may not be ready to claim a role in the World which the US plays quite assertively. On the other hand, with BRICS as a consortium comprised of Brazil, Russia, India, China and South Africa, and the GCC being one of the most significant energy centre points for the world, China may act as a missing link between the two “giants” but not in isolation from the US footprints in the neighborhood.

Primarily, US power is declining, but not diminishing. It is still the most important player in the World in terms of military might and strategic influences. Concurrently, the US is also an important stakeholder in the GCC and is cautious about the rising economies of the BRICS. Needless to say that, as the “rise of the rest” becomes a tangible reality, the US seems to be adapting to the change and is ready to change its role in the international arena.

It is the very evolving feature of the world that presents an interesting case study of an amalgam of GCC and BRICS while the US still remains an important global player. Amidst the power struggle and massive shift of axis, the BRICS and the GCC may find similar connections in the strategic and economic domains. China has the potential to act as a conduit for enhancing their connectivity and with this token also “rise” steadily. China’s own interests may not necessarily flow only from the economic domain, but also bring forward the interplay of its strategic interests.

Keeping up with this, the article endeavors to analyze the role China may play in the evolution of BRICS as an important player

in the international arena and how it can also keep the BRICS relevant amongst the GCC countries. In this regard, the article first analyzes the emerging new world order with a special focus on the emerging multi-polarity and “power of the US”. Furthermore, it throws light on the role of international organizations in the new world order, along with, China’s position in BRICS and relations with the GCC countries are analyzed as a case study. Finally, it analyzes the idea of how China’s standing in BRICS can play a part in emulating its relations with the GCC countries while keeping in mind their complementarities and conflicting interests.

1.2. Context

The premise rests on the notion that, as the world order shifts towards multi-polarity, China has gained pre-eminence while maintaining a low key in the global power apparatus. Contrary to the popular belief of China’s relations being dependent upon energy supplies from regions like the GCC, China deems it necessary to be relevant in such areas for its strategic interests as well. Hence, whereas there are other forums for energy supplies for China from amongst the BRICS i.e., Russia, China still values its relations with the GCC for strategic purposes. In this regard, restricting China’s relations to the economic domain is indeed misleading. Nonetheless, it is pertinent to analyze the potential of interpreting this makeup into a more strengthened China-GCC relations, in the economic, political, and security domains. This is possible by dealing with the differences and promoting complementarities amongst the three, while keeping in mind the changing nature of the US role in the international arena.

1.3. The Triangle: Profile and inter-relationships

Over the last three decades, China has steadily evolved its global engagement. It is not only emerging as an important player in the realm of international relations individually but now is also a member of nearly all significant international organizations and institutions and an important investor in virtually all regions of

the world (McGiffert, C., 2009). While Deng Xiaoping's motto for China's foreign policy of "keep[ing] a low profile", has not officially been given up (Gudrun, W., 2014: July 27), China's interests have also become global and are accompanied by a domestic debate about what kind of role China should play in the world (Gudrun, W., 2014: July 27). Today, it is the second largest and fastest growing economy in the world (Roberts, C., 2011: 4-8). It pursues a global agenda with "development at home and cooperation abroad".

BRICS is one interesting case study for analyzing China's discourse. This is true because, on one hand, BRICS is a grouping of the world's leading and emerging economies and political powers at the regional and international level. While on the other hand, it is causing changes in the architecture of the global scenario. This is true because, BRICS, as a consortium of five countries, soon is expected to replace the West. Despite being from different continents, BRICS pursue a global agenda of outsmarting dominance of the West through consistent and coordinated efforts. It is an economic grouping, but also has its own strategic and diplomatic interests to fulfill (Silvius, R., 2014: 1383-1385).

Similarly, China has also flexed its muscles on the floor of the GCC countries for quite a while now. As an emerging global economic giant, it is heavily dependent upon energy imports, particularly from the Gulf. In fact, the very rise of China, both individually and amongst regional groupings, is contingent upon an unrestricted flow of energy (Stephen, M., 2014). In sum, the GCC is rapidly becoming a global trading bloc with total merchandise trade of more than \$1.4 trillion in end-2012 (Stephen, M., 2014). The gross domestic product (GDP) in the GCC states rose by around 6% in 2012, reaching over \$1.5 trillion, making the GCC countries rank 12th globally (Stephen, M., 2014). In 2014, GCC exports reached over \$934 billion, ranking fourth in the world after China, the US, and Germany (Stephen, M., 2014). The

GCC imports amounted to \$484.2 billion ranking ninth in the world. Furthermore, highlighting the importance of the GCC countries, the combined foreign assets of GCC governments, state institutions, and banking systems (i.e., excluding non-financial corporate sector), are estimated over \$2.2 trillion by the end-2012 and projected to rise to \$2.5 trillion by the end of 2013 (Stephen, M., 2014).

The GCC-China-BRICS makeup indeed has its own benefits and is also subject to doubts in international relations. Where China plays a major role in the BRICS as a whole, its own relations with the GCC hold an important status in China's, allowing China to reach its global agenda. For China today, energy is indeed one of the biggest factors in strengthening its relations with the GCC; however, BRICS as a consortium of the "Rise of the Rest" is equally significant for China's safeguarding its political and strategic interests. On the other hand, the GCC and BRICS both place immense importance in the role China can play for their own development. In this milieu, it is pertinent to analyze the very triangle between BRICS-China-GCC. Can China play a role in promoting these organizations as a counterweight to the dominance of the West? Or, more precisely, is the evolution of the world order heavily contingent upon the rise of China and its role in various regional groupings? If yes, how can China promote complementarities and deal with differences, particularly between BRICS and the GCC to actualize the goals of each entity?

In order to reach certain conclusions pertaining to the questions mentioned above, it is important to first bifurcate realities from popular perceptions about the BRICS-China-GCC triangle. It is important to note that, the world at large is undergoing a fundamental transformation. It is an era of 'organized dominance' pertaining to economic, social, political and military rise of States in the form of a grouping. The phenomenon of "fading unilateralism" and the "rise of the rest"

are gaining popularity due to the rise of a group of countries and not just one State at a time. The US National Intelligence Council in its latest report *Global Trends 2030: Alternative Worlds* describes a world that will be radically transformed from how we know it today. In a tectonic shift, by 2030, the report suggests that "Asia will have surpassed North America and Europe combined in terms of global power, based upon GDP, population size, military spending, and technological investment". China is projected to overtake the US as the largest economy by 2017 in terms of purchasing power parity (PPP) and by 2027 in terms of market exchange rates. India should become the third "global economic giant" by 2030 (Al-Tamimi, N., 2013: June).

Nevertheless, China's consistent rise and strength of the organizations it forms part of is an interesting case study to examine interchangeable relationships. It is a permanent member or has an observer status of various organizations, but BRICS is one grouping which has been in the limelight of the changing world order along with the GCC, enjoying a significant position for quite a while now. The idea is to exploit the potential of such organizations through a series of complementarities to achieve the most out of the changing new world order.

1.4. Key Questions

Keeping up with the discussion above, numerous questions arise, particularly: how does every individual country in BRICS feel about the rise of China? Does China, as an emerging global giant, have a distinct role to play in this grouping? Can it actually use the strength of this organization to highlight its own footing in the international arena? What role can China play in bringing BRICS to the desired footing while keeping up with its relations in the GCC?

The answers may be complex and depend on the way one perceives China's rise and the factors on which it is contingent upon. It is a protector of one of the oldest civilizations in the

history of the world. Once it pursued the policy of “opening up to the world”, China had no ways of looking back to the history of its downfall. It has learnt from the past and is changing its present to be dominant in the near future. Hence, it is rising economically, engaged politically and diplomatically with its neighbors and beyond, pursuing strategic objectives by benefitting the developing world with its rise and also developing and strengthening its military.

However, while this picture remains clear, it is also a fact that, China’s rise and dominance is heavily dependent upon its energy imports. This means that, without a consistent flow of energy to its maritime based economy, China is not likely to play its role as an economic giant, individually or in organizations, including BRICS. China is the most populous country in the world, and home to about 20% of the world population, while India represents the world’s second most populous country which contains about 17% of the world population (Al-Tamimi, N., 2013: June). BRICS states in 2011 were home to more than 40% of total world population. Economic growth of China, unprecedented and lasting for more than three decades, has beaten all statistics and forecasts (Al-Tamimi, N., 2013: June).

It established new standards in the history of economic growth, which others try to copy without even close success. Despite the slowing of workforce growth (because of the aging population and one-child policy), the quality of Chinese workforce will help to raise the number of highly skilled workers, since the economic growth of China is followed by the growth of human resources. The question of demographic development in the future, connected to mainly one child policy per family is something that China will have to deal with in the future, since its population is rapidly aging and there is a significant inequality in the numbers of male and female citizens. The Chinese population is slowly entering the phase of demographic transition in which restrictions

will not be necessary. Economic and social implications are going to follow. When the Chinese population becomes old, in 2027, GDP per capita could be about \$10,000 (in 2005 prices). The most optimistic scenario predicts GDP per capita of over \$22,000 until 2030 (in 2005 prices) (Johnson, C. & Alterman, J., 2013).

Besides economic power, China's political and military power continues to grow. Its economic power is projected in most of the world and has global reach. Political power of China is projected into the neighboring regions, and especially into Southeast Asia, Asia-Pacific region and Central Asia. During the last quarter of 2010, Chinese economy became number two in the world. China has managed to achieve a successful combination of an autocratic regime with a market economy (Johnson, C. & Alterman, J., 2013).

China is engaged in the global capitalist economy, but economic-liberalization is not followed by political liberalization. Because of its size and power, China attracts considerable attention in the West, especially the US, which sees China as the main threat to its future world hegemony. The US and China have been in a struggle for financial markets and currency "wars" for well over a decade. They are also in a geo-economic struggle for resources, particularly oil, and precious and strategically important minerals. In this geo-economic struggle, the Broader Middle East region, Central Asia, Sub-Saharan Africa and parts of Latin America have the utmost geo-economic values. Chinese influence is penetrating the regions where it was not present before, which were once dominated by the US. This evolution of the global order is indeed a unique phase in the history of the globe (Johnson, C. & Alterman, J., 2013).

II. The New World Order

Today, we are moving towards a "new world order". In this regard, as the world at large is overwhelmed with the consistent

rise of new power structures and concentrations, it is imperative to analyze the standing of countries and institutions as an engine of this change. Predominantly, scholars and analysts are overwhelmed with the idea of China rising as a global giant and posing competition to the domination of the West. However, while talking about the “new world order”, it is noteworthy that, not only have individual States particularly China, changed the global balance of power but also did various multilateral organizations with their agenda of cooperation and development like the growing importance of BRICS.

Particularly, the newer setting has paved the way for a more enhanced role of developing countries and bringing “decisiveness” in peace building mechanisms of the United Nations. It seems to be a promising era which is free of “imperialism” and domination of the West. Hence, the expected “new world order” seems to imply to the new spirit of collaboration and cooperation among the nations of the world for the purpose of promotion of peace. In fact, historically, this term was coined to give peace a chance with varying meanings after a series of wars in human history.

Hence we can comprehend that a new world is coming into the view and progressing according to vision of a “world order” comprising of the “principles of justice and fair play for protecting the weak against strong”. A perfect world where the United Nations, which is free from the stalemate of cold war, should be poised to fulfill the visions of its founders for the formation of a world in which human find freedom and respect in all the nations of the world. That would be a world which has real prospects for the new world order.

However, the definition of the new world order seems to be a superficial one and all the promises of its proponents are yet to be fulfilled in the practical sense. This is true because the world is yet to see an “intimidated” US in areas of defence and strategic

influences. Two theories run in tandem while talking about this reality: according to the optimists a "New World Order" is one in which peace leads to an enhanced human welfare, reduced discrimination and inequality along with environmental protection which are implemented due to the rise of multiple powers as compared to the once unipolar world (Johnson, C. & Alterman, J., 2013). Whereas pessimists fear that the social and economic polarization and growing political instability are more assertively imposed by a once hegemonic US even with the rise of China. This can be because the rise of China may not necessarily mean rivalry to the power of the US (Malesevic, S., 2008: 97-112).

Some theorists explain the key characteristics of capitalism and imagine a vision for the future to come. Nonetheless, postulates of the new world order rest in promoting cooperation and coordination for peace and security of the world; a global order which is overwhelmed with countries willing to cooperate against imperialism. It brings an emphasis on restricting opportunities of war and furthering economic and security cooperation. It is this new world order on the basis of which the importance of multilateral organizations can be stressed upon along with China acting as a conduit of economic and strategic cooperation. They can actually act as a jumping board for global connectivity and peace, which is discussed in detail below.

2.1. Economic Globalization: Interplay of various power structures

The New World Order and rise of new power structures has resulted in the "globalization" of national economies as a key feature (Malesevic, S., 2008: 97-112). Where socially and politically it spread a wide-ranging positive impact, it also confronted the world economic system with unprecedented challenges. As the world becomes, and functions as, a truly borderless global village, every country has become part and parcel of the world economic system.

It has formed the world trade system as globalized markets and companies trading across national boundaries. The establishment of the World Trade Organization (WTO) in 1995 marked the formation of a global multilateral trade system (Malesevic, S., 2008: 97-112). Furthermore, vast currency movements are transacted across borders in real time under the world financial system, international investment activities has become worldwide. This development has further enhanced the role of the trans-national corporations.

The rise of “market state” and the computing and information technology revolution have been the driving forces of this evolution. The rise of “market state” has great implications for the ways people, firms and governments go about their business. The computing and information technological revolutions have facilitated both the different character and dramatic volumes of private capital flows by providing the speed and technology to effect the staggering volume of daily transfers of financial transactions across national boundaries.

III. Role of International Organizations: A Case Study of BRICS and GCC

It is an agreed fact that the participating countries define the function of the international organizations. Their objective is to study, collect and propagate information, and set up laws that are internationally accepted. The international organizations also help the cooperation between different countries by setting up negotiation deals between them and also help in technical assistance. International Organizations play an important role in collecting statistical information, analyzing the trends in the variables, making a comparative study and disseminate the information to all other countries. There are some intergovernmental organizations that have set international

Minimum standards. Such norms are difficult to be set at the state level.

There are some international organizations that perform certain supervisory functions. The supervisory system of the UN is very weak. In contrast, the supervisory mechanism of the ILO is quite strong. The European Union, together with the Commission and the Court of Justice, has a relatively strong supervisory mechanism.

The third function of international organizations is setting up multilateral or bilateral agreements between countries. Another function, that has assumed importance in recent times, is lending out technical cooperation to the member countries. By technical cooperation we mean the provision of intellectual or financial material to the countries, which require them. Amongst all the roles and activities of the international organizations, the most important is negotiating and setting up multilateral agreements. Minimizing transaction costs can strengthen the cooperation between different countries. Besides, they also provide lucidity and information. For negotiations, forums for bargaining are set up and focal point structures are constructed during negotiations. The multilateral agreements that are settled by the international organizations occur in sections like environment protection, development trade, human rights, etc.

In this regard, Brazil, Russia, India, China and South Africa (BRICS) are leading emerging economies and political powers at the regional and international level. The acronym was originally coined in 2001 to highlight the exceptional role of important emerging economies and only included Brazil, Russia, India and China (BRIC). It was pointed out that high growth rates, economic potential and demographic development were going to put BRIC further in a leading position and it was argued that their increased relevance should also be reflected in their incorporation to the G7 (Ulrichsen, K., 2013).

The four countries themselves started to meet as a group in 2006 and it was only in 2010 that South Africa was invited to join the group, which was then referred to as BRICS. Due to their geographic and demographic dimensions, BRICS economies are severely influencing global development, especially in Low Income Countries (LIC). They are promoting stability in trade and investment and cushioning global recession in the current financial crisis.

On the other hand, BRICS' lower growth in 2009 has caused a considerable setback in foreign trade performance of LICs in the same period. LICs are the most vulnerable countries, and more than one billion of the world's 1.4 billion poor people living on less than \$1.25 per day are living in LICs (BRICS Policy Centre, 2014: 8-12). LICs are very fragile in terms of external shocks, volatility in commodity prices and rising food costs. The International Monetary Fund (IMF) estimates that more than 23 million people could fall below poverty line in case there is no recovery of the world economy by 2012 (Morazaon, P., 2012: April).

The European debt crisis is challenging LICs directly as trade and development partners of the European Union (EU) and indirectly through decreasing demand from BRICS. Therefore, it will be of utter importance to find tools to prevent LICs from suffering an increase in poverty and food shortage in case of on-going global economic recession. BRICS are causing changes in the architecture of international development cooperation, not only with regard to trade and financial flows but also as emerging donors. Overall, clear-cut definitions of economic characteristics and performance to identify groups of countries are not easy to obtain.

Not only BRICS but also other countries, such as "next eleven" are self-confident players perforating traditional donor-recipient patterns. Mexico, Indonesia, Argentina, Turkey,

Saudi Arabia and others form part of new global development structures as for example within the G20 (Chauvin, N., 2010: April 27). In total, emerging donors have contributed \$87.1 million to the World Food Programme of the United Nations (UN) and USD 90.6 million to UN Emergency Response Funds (ERFs) in 2015. Even traditional classifications based on the Gross Domestic Product (GDP) into Middle Income Countries (MIC) and LICs are not always appropriate since countries of the same group might face very different challenges (Yildirim, T., 2014: 365-369).

Although these aspects should be kept in mind, the crucial question is how BRICS are influencing the development of LICs and what economic interdependencies will look like. On the other hand, the economies of the member states of the Gulf Cooperation Council have attracted increasing attention in recent years. In the wake of high and rising oil prices since 2003, they have developed into a pole of global economic growth. They have also become more important as global investors and trade partners, and play a crucial role in global energy markets. Furthermore, together with other major oil-exporting countries, they have become part of the international policy debate on global imbalances (Arab Centre for Research and Policy Studies, 2014: December 6).

GCC countries are major players in global oil markets in terms of current production and the availability of spare capacity. As they hold about 40% of global oil reserves, they are likely to remain pivotal in providing the world economy with oil in the future (Alterman, J., 2013: August). To this end, they are raising investment spending on oil exploration and the development of new oil fields, as they benefit from comparatively low costs in exploiting oil reserves, notwithstanding the lower quality of GCC countries' crude oil. In addition, GCC countries are active in mitigating oil refinery capacity bottlenecks.

Global oil demand is being driven mainly by growth in emerging market economies, including oil producers and thus

GCC countries themselves. Moreover, in Europe, as well as in the United States, the depletion of reserves will increase oil import dependency, despite stagnating oil consumption in the case of Europe. This will raise the importance of external providers, including GCC oil producing countries, in meeting domestic demand. Other sources of energy, including substitutes for crude oil, such as oil sand, synthetic oil and biofuels, as well as progress in raising energy efficiency may dampen global demand for crude oil, in particular, in an environment of elevated oil prices.

However, without major technological breakthroughs in energy production and/or energy savings, crude oil and oil derivatives will continue to play the dominant role in meeting rising global energy demand in the foreseeable future. As for natural gas, its production is projected to increase both globally and in the GCC region, but it is expected that large parts of the GCC gas production will be used to meet rising domestic energy needs. Trade by GCC countries has risen substantially in recent years, driven by higher oil prices, with exports and imports differing substantially in terms of the structure of goods traded and the geographical pattern of trade. While the bulk of GCC countries' exports consist of oil and oil derivatives, their imports are dominated by machinery and mechanical appliances, vehicles and parts, electrical machinery and equipment. The EU is the main trading partner of the GCC countries, as most of their imports originate in Europe. By contrast, exports by GCC countries – mainly consist of oil and oil derivatives (Anderson, L. & Jiang, Y. 2014).

IV. China: An Appraisal of the Link Amongst the BRICS

Keeping up with the discussion above, it is necessary to understand China's goal of either becoming a status quo power in

the world order or entirely changing the international norms and set of rules by virtue of forming its own institutions. BRICS in this regard is an interesting case study. China's leadership considers putting maximum efforts in formulating a friendly environment in its neighborhood. BRICS is on its top list as an organization of individual countries with which China would like to have strengthen relations, which includes two of its neighbors, and also as an organization with a potential to send ripples down the world order.

BRICS' precursor was the Russia-India-China group formally initiated by Russia in 2002 to serve as its platform after its former power had been weakened by the collapse of the Soviet Union and the challenges it had faced with its borders (The Gulf Research Center, 2010). The history of alliances, tensions, rivalry and differences between these three countries are deep but it seems that these challenges are being overcome by the will to strengthen BRICS.

China worked for the inclusion of South Africa in December 2010. South Africa's involvement worked well in expanding the geographic representation of the group and further strengthened the multi-polar and non-Western character of BRICS. China is now the strongest economic power in BRICS and the most influential in its economic and financial agenda.

In this regard, BRICS set up a new development bank to mobilize resources for infrastructure and sustainable development projects within BRICS and other developing countries. The BRICS Bank supplements the existing efforts of multilateral and regional financial institutions for global growth and development. China is expected to press for it to be based in Shanghai and to operate in yuan, the Chinese currency. From the roadshow discussions happening now in preparation to the Durban summit, the BRICS Development Bank will initially be capitalized at \$50 billion, with \$10 billion from each of the BRICS members. The bank will have

an initial capital of \$50 billion (Zhang, M., 2009), with each country contributing an equal share. In addition, a \$100 billion reserve would also be established, with \$41 billion coming from China, \$5 billion from South Africa, and Brazil, India and Russia each putting in \$18 billion (Zhang, M., 2014: October 3).

China is positioning itself as a major player in providing alternative financing to emerging markets as they meet for their summit in Brazil. Leaders of the five big emerging economies known as the BRICS, which also include Russia, South Africa and India, were due to sign off on a new development bank and a reserve fund they hope can act as a counterweight to Western-led financial institutions.

In his talks with Russian President Vladimir Putin before their summit, President Xi Jinping called for more co-operation among the five countries to enhance their bargaining power on the global stage. Wang Dehua, a professor at the Shanghai Institutes for International Studies, said China was aiming to boost its influence in the bloc by contributing more of the funding.

“As the world’s second largest economy, it is expected China would want to have more influence in the bank”. In this regard, the new bank would offer the five nations a united front against the Western-led World Bank and the International Monetary Fund, which did not offer favorable terms to developing nations. The countries wanted a platform where they can actively participate in BRICS and have influence. For China, the new bank allows it to diversify the concentration of its \$3.9 trillion in reserves away from US treasuries. Financing projects in developing nations could also expand the yuan’s role as an international currency.

Today, BRICS, is a consortium of countries held together through a mutual experience of stages in development and challenges related to it. The main function of this organization was also presented to be a coordination platform for the member countries in order to facilitate each other in the economic, political

and social cooperation. While bilateral differences and even conflicts between BRICS countries certainly exist, these usually do not surface at the summits, since all BRICS countries share the interest of fostering cooperation, especially now that economic growth has slowed down in all BRICS countries. (This slowdown was mainly attributed to external factors without which structural reforms in all BRICS economies would be well under way).

China's role in BRICS projects the official incorporation of the concept of multipolar world (*duojishijie*) into Chinese foreign policy. At the 14th Congress of the Communist Party of China in 1992, China stressed its stance for a fair, just and peaceful world which was only possible through multi-polarity. China's foreign policy since Jiang's leadership has acknowledged that a singular and unchecked superpower can be very dangerous as exemplified by the US invasion of Iraq without a UN sanction and the US/NATO actions in Kosovo.

Later, the China-Russia Constructive Partnership Agreement of 1994 not only strengthened Chinese-Russian relations, but also their preference to multi-polarity as against the unipolar world order that had emerged after the collapse of the bipolar world order. The China-Russia 1997 Joint Statement strongly emphasized that a fair and just society could only be possible in a multipolar world and not in a unipolar one. The Shanghai Cooperation Organization, which the two countries also lead, is another manifestation of interest to advance multi-polarity. This very stance is also depicted in the rise of BRICS as a whole.

V. GCC-China Linkages

In view of China's goal of achieving a multipolar global order, China's interest in GCC member countries individually, and in the GCC as an organization is an economic and strategic priority. China believes the GCC to be an effective regional organization

with global capabilities. Based on that interest, China and the GCC launched their strategic dialogue in the signing in Beijing in June 2010 of an agreement setting up the parameters and mechanisms for strategic cooperation. Prior to that time, relations were dominated by trade and investment concerns, as was evidenced by the Framework Agreement for Economic, Investment and Technical Cooperation, which was signed in 2004, to pave the way to free trade negotiations, which started in 2006 (Economist Intelligence Unit, 2009: March).

Iran and Saudi Arabia represent the two largest suppliers of oil to China with the kingdom leading the way with 725,000 b/d and Iran taking up the third position with 425,000 b/d as per 2008 figures (Silvius, R., 2014: 1383-1385). In August 2008, Saudi Arabia signed a Memorandum of Understanding with China that lays out plans for imports to increase to 1 million b/d by 2010 (Roberts, C., 2011: 4-8). Even more critical is the fact that Beijing aims to stockpile up to 100 million barrels of petroleum, equivalent to almost a month's national consumption. As such, it can be assumed that the Saudi share of Chinese oil imports is sure to grow. By 2030, the Gulf will supply China with one in every three barrels of China's consumption (Wilson, D. & Purushothaman, R., 2003: October 1).

The energy ties that are the main basis for GCC-China relations, is underlined by the fact that the outlook for Chinese consumption remains huge. By 2020, the country is expected to require about 12 million barrels of oil per day, thus tripling the current import levels and surpassing the levels currently being imported by the US (Griffith-Jones, 2014: March). The impact of the country's growth on the standard of living of millions of Chinese means a large number of them will abandon bicycles in favor of private cars. In 2004, China's domestic automobile sales increased by a staggering 69%. By 2008, Chinese car production is expected to reach 8.7 million vehicles annually, which is double

the number of prospective buyers. By 2010, the country is expected to have 90 times more cars on the road than it did in 1990, a development which will undoubtedly boost its energy needs (Al-Tamimi, N., 2013: June).

In the economic domain, FTA negotiations stalled in 2009 because of China's protective policies and were later suspended by the GCC pending an overall evaluation. China sought to limit access of GCC petrochemical exporters to its markets (Cafiero, G., 2012). While China was always interested in pursuing FTA negotiations, it could not agree to open its markets to GCC petrochemical and chemical products, seeking to shield its own producers from competition. Chinese officials have recently reassured the GCC that they were ready to provide the utmost flexibility on outstanding FTA issues, if FTA negotiations were to resume.

The FTA is significant for China for several reasons. First, it would provide treaty guarantees for the already thriving GCC trade. Two-way trade has steadily and rapidly multiplied, from a mere \$9 billion in 2001 to \$151 billion in 2012. In particular, China is interested in safeguarding oil supplies from the GCC, which is currently its main source of energy imports. Second, China hopes to plug the trade deficit it has experienced with the GCC since 2010. In 2012, for example, GCC exports (mainly crude oil) were valued at \$90 billion, compared to \$60 billion of Chinese exports to GCC countries. China would like to increase its exports to the GCC to reduce that gap (Stephen, M., 2014).

Third, over the past few years, China has negotiated free trade agreements with its neighbors and far-away partners, including Japan, Korea, and Australia, in addition to the ASEAN group and Pacific Rim countries. Although China is somewhat of a late believer in free trade, now it appears to be eager to engage in free trade agreements with most of its key partners, recognizing that is the way to the future.

Strategically, the GCC figures prominently in the new “Silk Road” initiative. This is such a fascinating venture with wide strategic implications. Hence, trade where they largely agree, does not define the whole GCC-China relations. Although China has expressed great interest in its GCC ties, the two sides have not always seen eye to eye on some issues, mainly the Syria question. China has avoided the boisterous Russian style of publicly and aggressively defending the regime of Bashar Assad.

VI. The Triangle: Complementarities and Conflicting Interests

The GCC countries may be economically important for China; however, the recent forecast challenges this significance in light of an energy deal between Beijing and Moscow. As the Russians were cut off from the European markets, Russia’s gas and oil found an energy-hungry China in the neighborhood. The energy alliance will see 38 billion cubic metres of gas, or roughly eleven percent of China’s gas needs, delivered through new pipelines worth up to \$90bn (Troitskiy, M., 2014). In terms of dealing with Russia’s new problems on the European front, China will be taking on roughly a quarter of the usual exports to Europe, giving China a strong insurance policy against further isolation from traditional customers in the European Union.

The implication for the GCC states by this deal is that China will remain an important, but mildly less hungry, customer. Meanwhile Russia, as a top exporter of gas and oil – is effectively in competition with the GCC. Competition with Russia could emerge between Qatar and possibly Iran later on, both will be competing for liquefied natural gas exports to Europe and Asia. The China-Russia energy deal as a “clever way to exploit” increasing competition between Saudi Arabia and Russia over global oil markets – with China coming out on top as they play

one international supplier against the other.

In this milieu, can China take along both the GCC and BRICS in its global pursuits? It enjoys an important position in the BRICS and is also now moving ahead with its relations with every individual country in the organization, but will it be able to do the same with the GCC keeping in mind its strategic goals along with the economic ones? Concurrently, with the new world order and globalization of national economies, the GCC and BRICS would also like to play a role in the global evolution. In this regard, it is important to look at the complementarities and conflicting interests amongst the triangle to reach some conclusions:

6.1. Complementarities

The China-GCC-BRICS triangle has many commonalities. However in this regard, China has a major role to play in order to exploit them. As a rising giant, it advocates regionalization and specialization of authority in order to analyze the threats posed to regional peace and security. Multilateralism thus helps as a policy to strengthen strategic relations with GCC and BRICS. This in fact brings forward a much larger role of regional organizations as a counter weigh to the monopoly of the West.

In the meantime, BRICS nations, such as India and China have become among the largest importers of Gulf oil, while Russia is the world's largest oil producer with an output capacity of more than 10 million barrels per day. This allows both sides to coordinate their oil policy-related issues.

In light of this, a GCC partnership with the BRICS would be an important move, for strategic, economic and political dimensions on the one hand and the redrawing of international relations on the other. This is important in light of the changing balance of power in the world; at a time when the West shies away from buying Gulf oil, the BRICS are drawing closer to the Arabian Gulf and its oil products and exports.

Joining the BRICS bloc is also of great significance in the

post-oil era as the Gulf seeks new markets. There is no better market than the BRICS, which are thirsty for all sorts of goods due to their fast growth. It would not be difficult for the GCC to join hands with the BRICS. However, it is imperative for all the GCC countries to join the BRICS collectively, as the Gulf countries joining individually is impractical due to the small size of their economies compared to the economies of the BRICS.

A merger of the GCC and the BRICS will make for a strong presence in all international organizations and will bring change given that the balance of power imposed since the Second World War has shifted. This situation requires alterations in the processes of representation and alignment of balance of power in international relations, so as to reflect the interests of different countries in a more just manner.

Approximately 60% of China's crude oil imports originate in the Middle East, and this figure is expected to rise to 75% by 2015, according to the Jamestown Foundation. The new energy infrastructure being put in place in Siberia should see the proportion of Chinese energy travelling through the vulnerable Straits drop dramatically.

Hence, it is safe to assume at this point that, along with the economic ones, China has immense strategic interests, both in BRICS and the GCC. Where China's rise has been one of the most significant geopolitical and economic developments of the 21st century, it pursues an agenda of benefitting from the US dilemmas in strategically important regions of the world. Not only BRICS and GCC are important for China in pursuing its goal but these organizations also place immense importance in their relations with China.

6.2. Conflicting Interests

While there is ample room for the China-GCC-BRICS triangle to merge up their complementarities, there are also numerous issues and conflicting interests amongst the trio. Firstly, although

the BRICS countries pursue similar goals, they follow different strategies. The five countries are from different continents and are posed with diverse compulsions as far as strategy is concerned. They are also going through the new world order process with different mindsets and deal with distinct threats to their national security. Hence, as far as their role in BRICS is concerned China plays an important role in boosting the common interests amongst the group. This comes in the wake of the fading “unipolarity” and rise of the multipolar order

On the other hand, for the GCC, the West, particularly the US, may not be the only open market for its energy but it still remains the dominant security provider. The function becomes more crucial when it is posed with major threats from extremist tendencies. This is where the GCC is not ready yet to give China or any other entity a role. However, it is interesting to note that, without this role, China or BRICS may not be able to reap the strategic benefits from this region. Is the GCC actually ready to give China or for that matter BRICS a role in its strategic concerns when the US is already undergoing a rapprochement with Iran?

VII. Major Findings and Conclusions

The rise of China is indeed one of the many significant geopolitical realities in the world we live in today. It is not only rising individually but also forms part of BRICS as an engine of global transformation. Concurrently, with its non-interference policy, it is also sending waves of influence in the developing world through cooperation in economy and infrastructure development and is considered to be an alternative to the US hegemony. In this regard, GCC is one region where fading unipolarity has a major influence on the outlook in the economic and political sector. China enjoys healthy economic relations with the GCC and is looking for an enhanced relationship for strategic

purposes as well. In fact, the GCC would also like to move forward in its relations with China, while the US shifts its axis of strategy and is ready for a rapprochement with Iran.

Nonetheless, there is an opportunity for the BRICS and particularly China to take their relations with the GCC to a higher pedestal. In the wake of gaps left by the US while dealing with the GCC, BRICS has a case of merger by using China's relations with the Gulf in order to exploit the recipe of global transformations. The US may be an important security provider in the GCC region, particularly while dealing with the trans-national threats posed to the region. However, it is also considered as one of the causes and furthering instability in the region by virtue of adventures like Iraq and Afghanistan.

BRICS as an engine of the "Rise of the Rest" vis-à-vis the West, aims at being vocal in the global economy and having better relations with developed countries. Hence, its success does not depend only on its economic relations with the rest of the world, but is highly contingent upon the level of influence it can achieve in the international arena. This is where China as a major player in BRICS plays a role, when it can exploit strategic benefits from regions like the GCC in addition to the economic ones. The idea is to structure a world where hegemony and imperialism is replaced by cooperation and organized growth. This is in fact the true essence of the "new world order" and its aftermath.

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