

China and the Middle East

The Quest for Influence

Edited by
P R Kumaraswamy



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Contents

| | |
|---|-----|
| <i>List of Abbreviations</i> | 8 |
| 1. Introduction P R Kumaraswamy | 11 |
| 2. China and Israel: Normalisation and After P R Kumaraswamy | 20 |
| 3. Chinese–Palestinian Relations William W Haddad and Mary Foeldi-Hardy | 42 |
| 4. China and Iraq: A Stake in Stability John Calabrese | 52 |
| 5. Sino–Turkish Relations: Preparing for the Next Century Mehmet Ogutcu | 68 |
| 6. Sino–Pakistan Relations and the Middle East Samina Yasmeen | 91 |
| 7. China's Middle East Strategy Barry Rubin | 108 |
| 8. Chinese Arms Exports to Iran Bates Gill | 117 |
| 9. Chinese Policies on Arms Control and Proliferation in the Middle East Gerald Steinberg | 142 |
| 10. China and Proliferation: Implications for India Ashok Kapur | 162 |
| 11. China's Economic Relations with the Middle East: New Dimensions Yitzhak Shichor | 179 |
| 12. The Middle Kingdom Meets the Middle East: Challenges and Opportunities David Dewitt | 200 |
| <i>Select Bibliography</i> | 215 |
| <i>About the Editor and Contributors</i> | 220 |
| <i>Index</i> | 223 |

China and Israel: Normalisation and After

P R Kumaraswamy

Every Chinese person knows that Kissinger is a Jew, and we are very grateful to him for opening the doors (between China and the West).

Chinese scholar Xu Xin¹

The myth of Israel's support and influence in the west in general and the US in particular, was very powerful throughout China. The Chinese view of the relationship of world Jewry with Israel was similar to that of their own kinship with the Overseas Chinese, and they were profoundly impressed by the achievements and status of Jews in western societies.

Israel's first Ambassador to China, Zev Sufott²

The establishment of diplomatic relations between China and Israel in January 1992 remains an important development for both countries. It marked the successful conclusion of prolonged Israeli overtures towards China and its aspirations to formalise relations with all the five permanent members of the Security Council. In moving towards the Jewish state, China formally signalled its willingness to play a significant role in the Middle East peace process. Coming at the end of the Cold War, normalisation reflected the changing international environment as well as the transformation in their mutual perceptions. China was able to pursue this course without jeopardising its close ties with countries hostile to Israel or provoking any adverse response from the region. Besides seeking a greater role in the region, China's decision appears to have been also influenced by its desire to consolidate its relations with the US through Israel.

Israel, the first Middle Eastern country to recognise the communist revolution, had to wait for over four decades to secure Beijing's political and diplomatic recognition. The process of normalisation was unusually long, mostly one-sided and largely

¹ Quoted in Liat Collins, 'One in a Billion', *The Jerusalem Post Magazine*, 5 June 1998, p. 9.

² E. Zev Sufott, *A China Diary: Towards the Establishment of China-Israel Diplomatic Relations* (London: Frank Cass, 1997), p. 81.

unrequited. In many ways, the pre-relations courtship remains the most fascinating aspect of the Israeli–Chinese diplomatic odyssey. Israel's initial hesitation to respond favourably to China's overtures proved to be a costly error of judgement. For much of this period the initiatives rested with Israel and China was essentially responding, often negatively, to Israel's overtures and initiatives. The establishment of diplomatic relations, therefore, is more of an Israeli long march to the Middle Kingdom rather than a bilateral drive towards normalisation.

PROLONGED NON-RELATIONS

The troubled Arab–Israeli conflict largely influences any comparisons between China and Israel and it is easier to draw favourable parallels between China and both sides of the Arab–Israeli dispute.³ The diverse perceptions are further complicated by the conflicts within China and its contradictory self-portrayal. The prevailing international environment and fluctuating political pragmatism compelled China to see Israel in a different light. In the early fifties while seeking diplomatic relations, it perceived the Jewish state as a friendly power and subsequently as it was courting the Arab countries, China decried Israel as an instrument and outpost of western imperialism and emerged as the most vociferous ideological critic of the latter.⁴ At times some of China's virulent portrayal of Israel was more radical than those of the Arabs and Palestinians. As it was moving towards normalisation, China skirted erstwhile negative stereotypes and began to discover that 'Israel has long put a high premium on relations with China; less than 100 days after the birth of New China, Israel had already announced its recognition of the state'.⁵

International recognition and diplomatic relations remained a long, cumbersome and, at times, painful process for both countries. Because of political, economic or operation considerations, countries do not establish diplomatic mission with every

³ In the words of Gerald Segal: 'Both states were new but claimed links to great and ancient civilisations. Both states were also born with a strong dose of ideology of revolution... Both were also strongly nationalistic'. Gerald Segal, 'Israel and China: Pragmatic Politics', *SASIS Review*, Vol. 7, No. 2, Summer-Fall 1987, p. 196. It is argued that like 'Palestine and most of the Arab world, China was invaded, attacked and humiliated by foreigners. The result in both cases was a profound sense of cultural shock. The victors armed with their new technology, came from the industrialised West'. John K. Cooley, 'China and the Palestinians', *Journal of Palestine Studies*, Vol. 1, No. 2, Winter 1972, p. 20.

⁴ Israeli leaders were portrayed as 'terrorists' and parallels were drawn between Israel and anti-black Ku Klux Klan movement in the US and even Nazi practices. Among others, see commentaries in *Renmin Ribao*, 15 May 1979, in *FBIS-CHI*, 23 May 1973, pp. 1/3–4; 31 October 1983, in *FBIS-CHI*, 1 November 1983, p. 1/1; 10 April 1986, in *FBIS-CHI*, 28 April 1986, pp. 1/1–2. One such commentary written after the inauguration of the Madrid Conference even spoke of 'classic Jewish approach (that) embodies the retaliation mentality... "a tooth for a tooth"...'. *Renmin Ribao* (Overseas Edition), 25 November 1991, in *FBIS-CHI*, 6 December 1991, pp. 4–5.

⁵ Hong Kong-based pro-Beijing daily *Ta Kung Pao*, 23 January 1992, in *FBIS-CHI*, 23 January 1992, pp. 13–14. See also *Beijing Radio Overseas Broadcast*, 25 January 1992, in *FBIS-CHI*, 27 January 1992, pp. 19–20.

other country. For Israel and China however, the absence of diplomatic mission underscored their political isolation and non-recognition. For instance, it took China over four decades to establish diplomatic relations with all the Middle Eastern countries and Israel needed a similar time frame to establish normal diplomatic relations with the major powers of the world.

In both cases strong political considerations inhibited many countries from accepting them as fellow members of the international community. The circumstances of their creation and their strong ideological foundation generated apprehension, if not fear, in the outside world. Many countries had misgivings about Israel's Zionist philosophy and China's communist ideology. This apprehension was fuelled by the formation of international political alliances and blocs against these two countries and if the Arab and Islamic countries led the anti-Israel bloc, the US led the anti-communist alliance.⁶ For long, both blocs made strenuous efforts to prolong the isolation of Israel and China. As a result both countries had to invest considerable political effort, diplomatic initiatives, economic aid and even military assistance to break their political isolation.

Under normal circumstances such an organised isolation should have brought Israel and China close to one another. As will be discussed later, the numerical superiority of the anti-Israel alliance and the strong political pressure from the leader of the anti-China alliance, prevented China and Israel respectively, from forging a closer relationship. Consequently, persistent Israeli efforts towards normalisation met with a resolute Chinese refusal to reciprocate.

Israel, whose formation predates China turning towards communism, sought and obtained recognition from Nationalist China in March 1949. It is generally ignored that Nationalist China was one of the first powers to recognise the Jewish state. This, however, did not inhibit Israel from recognising the political changes in Beijing or responding to Communist China's request for diplomatic recognition. On 9 January 1950, just over two months after the communist take over, Israel became the seventh non-socialist power and the first Middle Eastern country to recognise the new political situation in Beijing. Due to their shared socialist inclination and the absence of any disputes, both countries were favourably disposed towards diplomatic relations and preliminary negotiations were held in Moscow. Nonetheless, a host of developments, miscalculations and political short-sightedness prevented any progress on the diplomatic front.⁷

⁶ One cannot, however, ignore the role and efforts of Taiwan in prolonging China's political isolation. For instance, signalling the end of apartheid, President Nelson Mandela assumed office in 1994, but it took Beijing more than four years to establish diplomatic relations with the Republic of South Africa.

⁷ The following two works by Michael Brecher, *The Foreign Policy System of Israel* (London: Oxford University Press, 1972) and *Israel, the Korean War and China: Images, Decisions and Consequences* (Jerusalem: Jerusalem Academic Press, 1974) still remain the most comprehensive studies on the background to Israeli-Chinese relations. See also, Xiaoxing Han, 'Sino-Israeli Relations', *Journal of Palestine Studies*, Vol. 22, No. 2, Winter 1993, pp. 62-77; Yossi Melman and Ruth Sinai, 'Israeli-Chinese Relations and Their Future Prospects', *Asian Survey*, Vol. 27, No. 4, April 1989, pp. 395-407; Yitzhak Shichor, 'Hide and Seek: Sino-Israeli Relations in Perspective', *Israel Affairs*, Vol. 1, No. 2, Winter 1994, pp. 188-208.

Though both were initially interested in normalisation, under pressure from Washington Israel adopted a cautious attitude towards diplomatic relations. By the time it recognised the political importance of forging diplomatic ties with China, the latter was firmly entrenched in the Arab camp, leading to long and protracted courtship. It may even be argued that active Chinese courting of the Arabs intensified Israel's interests and overtures towards China. It is essential to remember that though it had 'missed an important opportunity, the omission was by no means fatal' for Israel.⁸ The absence of formal relations and its prolonged efforts to woo China, merely highlighted Israel's political isolation. The reasons for Chinese disinclination towards normalisation were similar to the policies of a number of countries in Asia and elsewhere towards the Jewish state.

During the four decades of 'non-relations' between Israel and China (1950–92), three events—the Korean War, the Bandung Conference of 1955 and the emergence of Deng Xiaoping—are important milestones which signalled definite shifts in policies.

First, the sluggishness on the part of Israel to translate its recognition into diplomatic relations received its first setback in June 1950 when the Korean War erupted. Though still professing a policy of 'non-identification', Israel became sensitive to the views and concerns of Washington. The intensification of the hostility and the entry of China in October, diminished the prospects of normalisation of Sino–Israeli relations and Israel came under increasing pressure from the US to desist from moving closer to Beijing. As Israel suspended its contacts with China, the latter began to adopt a hostile position towards the Jewish state.⁹

The termination of hostilities in the Korean peninsula rekindled Israeli interest in normalisation. The establishment of an embassy in Myanmar the previous year gave Israel an interesting and geographically closer venue for diplomatic overtures and its Minister in Rangoon David Hacoheh actively pursued relations with China.¹⁰ In June 1954 he met Prime Minister Zhou Enlai as the latter was returning from the Geneva conference on Indochina and shortly afterwards, the Chinese Premier disclosed that 'contacts [are] being made with a view to establishing normal relations between China... and Israel'.¹¹ Following January a five-member Israeli delegation left for China on a four-week official visit. Though described as a 'trade delegation', it included senior officials from Foreign and Commerce Ministries. Upon categorical instructions from the overcautious Prime Minister-cum-Foreign Minister Moshe Sharett, the delegation did not explicitly seek normalisation. When the delegation

⁸ Jacob Abadi, 'Piercing the Bamboo Curtain: The Triumph of Israel's China Policy', *Mediterranean Quarterly*, Vol. 5, No. 3, Summer 1994, p. 62.

⁹ Yitzhak Shichor, 'Early Chinese Attitudes towards the Arab–Israeli Conflict', *Asian and African Studies* (Haifa), Vol. 15, No. 3, November 1981, pp. 343–61.

¹⁰ David Hacoheh, 'Behind the Scenes of Negotiations between Israel and China', *New Outlook* (Tel Aviv), Vol. 6, No. 9, November–December 1963, pp. 29–44. His superiors in Israel, however, were hesitant and less inclined.

¹¹ Quoted in Yitzhak Shichor, *The Middle East in China's Foreign Policy, 1949–1977* (Cambridge: Cambridge University Press, 1979), p. 26.

returned home Sharett was more concerned about a reciprocal visit from China than about normalisation.¹²

Second, on 28 April 1955, however, Israel swiftly changed its position and expressed its desire to 'establish full diplomatic relations with... China at the *earliest convenient moment*'. The reason for the sudden Israeli *volte-face* and its first formal request for diplomatic ties should be traced directly to the Afro-Asian Conference at Bandung that took place a couple of weeks earlier. Though Israel's exclusion from Bandung was on the cards for quite some time, it was only after the inauguration of the conference that Israel realised 'its harmful implications for Sino-Israeli links and offered China diplomatic relations'.¹³

At Bandung, Israel formally lost China to the Arabs and Beijing took full advantage of its historic encounter with the Arab and Islamic countries.¹⁴ China endorsed the Bandung declaration that expressed 'support (to the) Arab people of Palestine and called for the implementation of the UN resolutions on Palestine'.¹⁵ Even though the process of Sino-Arab normalisation was not smooth, China and the Arab countries discovered one another at Bandung and China began to move away from Israel. In striving to end its political isolation and admission into the United Nations, normalisation with the Arab world and not Israel, became more important for China. If the attitude of the US was crucial to Israel before Bandung, the views of the Arabs became more significant for China in the post-Bandung period. Days after the conference Egyptian President Gamal Abdul Nasser asked the Arab League to reverse its earlier decision and recognise the People's Republic of China.¹⁶

During the next two decades, both directly as well as through various western leaders and diplomats, Israel unsuccessfully sought to modify China's position but China became increasingly involved in the Arab and Islamic countries of the Middle East. In spite of China's willingness to adopt friendlier postures towards the Arab countries, the process of Sino-Arab normalisation was not swift as the Chinese would have liked. General apprehensions over communism and the Chinese support for radical groups

¹² On 28 March 1955 Daniel Levin, head of the Asia Department and a member of the 'trade' delegation to China, informed David Hacohen: 'The Foreign Minister, before bringing the matter of diplomatic relations to a decision, emphasises that the Chinese delegation which was invited by us must first come to Israel'. Quoted in Michael Brecher, *Decisions in Israel's Foreign Policy* (London: Oxford University Press, 1974), p. 150.

¹³ Shichor, 'Hide and Seek', *op. cit.*, p. 190. For a background discussion of Israel's exclusion see, Michael Brecher, *The New States of Asia: A Political Analysis* (London: Oxford University Press, 1963), pp. 133-34 and 210-11.

¹⁴ The Bandung Conference underscored Israel's political isolation among the Afro-Asian community. It recognised, legitimised and even institutionalised Arab veto over Israeli participation in all further regional gatherings. This exclusion of the Jewish state proved to be a *carte blanche* for anti-Israeli pronouncements and resolutions in future gatherings of the developing countries.

¹⁵ For the complete text of the final communique see, *Asian Recorder* (New Delhi), 23-29 April 1956, pp. 191-92.

¹⁶ Joseph E. Khalili, *Communist China's Interaction with the Arab Nationalists since the Bandung Conference* (New York: Exposition Press, 1970), p. 98.

Table 1
Diplomatic Relations between China and the Middle East

| Country | Establishment of Ties |
|-------------------------------------|-----------------------|
| Algeria | July 1962 |
| Bahrain | April 1989 |
| Djibouti | January 1979 |
| Egypt | May 1956 |
| Iran | August 1971 |
| Iraq | August 1958 |
| Israel | January 1992 |
| Jordan | April 1977 |
| Kuwait | March 1971 |
| Lebanon | November 1971 |
| Libya | August 1978 |
| Mauritania | July 1965 |
| Morocco | November 1958 |
| Oman | May 1978 |
| PLO | January 1965 |
| Qatar | July 1988 |
| Saudi Arabia | July 1990 |
| Somalia | December 1960 |
| Sudan | December 1958 |
| Syria | August 1956 |
| Tunisia | October 1971 |
| Turkey | August 1971 |
| United Arab Emirates | November 1984 |
| Yemen, Arab Republic | September 1956 |
| Yemen, People's Democratic Republic | January 1968 |

Source: *Directory of Chinese Officials and Organisations: A Reference Aid* (Springfield, VA: Directorate of Intelligence), July 1989 and May 1991.

in the region generated fears and suspicions in the Middle East, especially among the pro-western monarchies. Furthermore, Chinese tendency to interfere in inter-Arab and intra-Arab differences, the Sino-Soviet rivalry and frequent occurrence of domestic crises and turmoil in China greatly undermined the process of normalisation.¹⁷ While as many as seven countries established diplomatic relations with Beijing within a couple of years after the Bandung Conference, five more moved closer to China following its admission into the UN in 1971. It was only after Mao's death that the remaining Arab countries established diplomatic relations with China¹⁸ (Table 1).

China was quick to realise the utility of the 'Israel card' in its relations with the Arab world and began to adopt a hostile and unfriendly posture vis-à-vis Israel. Not only

¹⁷ P.R. Kumaraswamy, *Israel's China Odyssey, Delhi Papers No. 2* (New Delhi: Institute for Defence Studies and Analysis, 1994), pp. 27–30.

¹⁸ For a background discussion on Beijing's relations with the Arab world see, Hashim Behbehani, *China's Policy in the Arab World, 1955–1975* (London: Kegan Paul International, 1981).

did it reject various Israeli overtures but also described the Jewish state in extremely unfriendly terms.¹⁹ Coming in the midst of the internal turmoil especially during the Cultural Revolution, Israel was castigated as an 'expansionist', 'aggressor', 'artificial creation', 'imperialist dagger thrust into the heart of the Arab People', 'puppet of Imperialism', 'Western beachhead', and 'running dog of US imperialism'. China declared that 'the Palestinian people's right to *liberate* their homeland is a natural extension of self-defence and self-determination'.²⁰

In January 1965 China became the first non-Arab power to recognise the newly established Palestine Liberation Organisation (PLO) and to host a quasi-diplomatic mission in Beijing. Since then various Palestinian leaders including Yasser Arafat have regularly visited China and have received Chinese support for their armed struggle against Israel. 'To reinforce this policy', observed Yitzhak Shichor, 'Beijing provided the Palestinians not only with political backing and ideological indoctrination, but also with weapons and military training'.²¹

PRELUDE TO NORMALISATION

The death of Mao in September 1976 and the emergence of a reformist leadership under Deng Xiaoping committed to modernisation and economic development, was the third important milestone in Sino-Israeli relations. Though the impact was neither immediate nor perceptible, it marked the beginning of a new era. The end of prolonged internal conflict and its acceptance by the international community significantly mellowed down China's view of the outside world. Apart from its newly found 'open door' policy towards the west, a couple of developments signalled a gradual modification of the Chinese position vis-à-vis Israel. Its campaign against Vietnam exposed the shortcomings and deficiencies of the People's Liberation Army and China began to look to Israel as a partner in defence modernisation. Israel's willingness to pursue military contracts despite the absence of political contacts, encouraged the process. As discussed elsewhere, the military path facilitated diplomatic relations. The conclusion of the Israeli-Egyptian Camp David peace agreements painted a new political landscape in the Middle East. Though many Arab countries were opposed

¹⁹ In a bizarre incident a congratulatory telegram sent by Israeli Foreign Minister Abba Eban in 1971 following China's admission into the UN was seized by the Chinese postal authorities and was returned undelivered.

²⁰ Among others see, Behbehani, *op. cit.*, pp. 46, 50 and 57; Xiaoxing, *op. cit.*, pp. 65-66.

²¹ Shichor, 'Hide and Seek', *op. cit.*, p. 192. See also, Lillian Craig Harris, 'China's Relations with the PLO', *Journal of Palestine Studies*, Vol. 7, No. 1, Autumn 1977, pp. 123-54; Raphael Israeli, 'The People's Republic of China and the PLO: From Honeymoon to Conjugal Routine', in Augustus Richard Norton and Martin H. Greenberg (Eds.), *The International Relations of the Palestine Liberation Organisation* (Carbondale and Edwardsville: Southern Illinois University Press, 1989), pp. 138-65; John Calabrese, 'From Flyswatters to Silkworm: The Evolution of China's Role in West Asia', *Asian Survey*, Vol. 30, No. 9, September 1990, pp. 862-76.

to President Anwar Sadat's 'betrayal' and his separate peace with Israel, it signalled an Arab willingness to seek a political and negotiated settlement to the Arab–Israeli conflict. China was not indifferent to these changes.

For the first time in two decades China began to dilute its virulent view of Israel and slowly began to revert to its pre-Bandung position. In a slow, gradual and piecemeal process, China began to indicate its willingness to accept Israel's existence as a state. In tune with its people-to-people contacts, it began to distinguish between the Israeli people and the Israeli government. Under certain conditions China indicated its willingness to establish relations with the Jewish state and they included: (a) a complete Israeli withdrawal to the pre-June 1967 position; (b) the restoration of the Palestinian rights, including their right to establish an independent Palestinian state; and (c) an Israeli pledge to end what China considers a policy of 'aggression and expansion'.²² Endorsing the prevailing Arab position, it also demanded an international conference to 'discuss and settle the Palestinian question'.²³ Though such a conditional normalisation was not acceptable to Israel, it marked a shift in the Chinese position vis-à-vis Israel.

Responding to the new Chinese overtures, in 1985 or shortly after the Anglo–Chinese agreement over the future of the colony, Israel reopened its Consulate in Hong Kong. It is widely believed that by reactivating its mission after a gap of ten years, Israel was seeking a back door entry to Beijing. It hoped to create facts on the ground and when the colony reverted to the Chinese rule in 1997, the Consulate would become a de facto mission in China.²⁴ The posting of veteran diplomat and intelligence official Reuven Merhav to open the mission with the personal rank of ambassador, underscored the importance of the Israeli decision. As he subsequently admitted, 'I concluded that if we work right, and with patience we can, in two to three years, have contact with the Chinese and in five years have representation there'.²⁵ The presence of various Chinese institutions, companies, financial institutions and semi-official representations in Hong Kong provided an excellent opportunity and diplomatic cover for Israel. Aimed at the larger Chinese audience and market, a host of official, semi-official and private Israeli firms set up their offices and other representations in Hong Kong. Before long the colony became a conduit for political as well as military contacts between Israel and China.

Meanwhile since the mid-eighties the United Nations and especially the annual General Assembly meetings became a major forum for Israeli–Chinese diplomatic contacts. In late March 1987 Avraham Tamir, Director-General of the Israeli Foreign

²² Yitzhak Shichor, 'Small Cracks in the Great Wall: The Prospects for Sino–Israeli Relations', *Institute of Jewish Affairs Research Report* (London), No. 5, August 1987, p. 9. See also Yitzhak Shichor, 'In Search of Alternatives: China's Middle East Policy after Sadat', *The Australian Journal of Chinese Affairs*, No. 8, 1982, pp. 101–10.

²³ *Beijing Review*, 14 May 1984, p. 9.

²⁴ Israel operated a Consulate in Hong Kong during 1973–75 but closed down the mission due to budgetary problems and lack of progress in cultivating China. Abraham Rabinovich, 'The Long Trek to Beijing', *The Jerusalem Post*, 29 November 1991.

²⁵ *The Jerusalem Post*, 29 November 1991. After he completed his tenure in Hong Kong, in 1988 Merhav was appointed Director-General of the Foreign Ministry and played an even more active role in promoting Israeli–Chinese relations.

Ministry, met Li Luye, China's permanent representative to the UN. A few months later Foreign Minister Shimon Peres met the Chinese Deputy Prime Minister at a UNCTAD conference in Geneva.²⁶ Following a second meeting between Tamir and Li, on 30 September 1987 Shimon Peres met his Chinese counterpart Wu Xueqian at the UN headquarters. This was the first known ministerial level meeting since the formation of Israel and both leaders agreed to institutionalise bilateral contacts through their UN representatives. Since then the foreign ministers of the two countries have met regularly during the UN General Assembly sessions.

There were signs of improvement when Beijing allowed Israeli delegates to participate in international conferences hosted by China. Israel began to pursue 'scientific contacts' to woo China and the Israel Academy of Social Sciences played an important role in this endeavour. The 'tourist team' consisting of two scientists and a career diplomat at the Foreign Ministry's China desk went to China in May 1989. In November, Israeli representatives visited Beijing to establish a permanent mission that would function within an academic framework. On 15 June 1990 the Israeli Academic Centre was set up in Beijing. Formally headed by Prof Yossi Shalhevet, former scientific adviser to the Ministry of Agriculture, the Centre was run by a Foreign Ministry official. As a reciprocal gesture China opened an office of the China International Travel Services (CITS) in Tel Aviv in late 1989. Both sides went out of their way to dispel any notions that these two offices were diplomatic missions. For example, Qian Qichen declared: 'These two offices handle matters relating to tourism and exchange of scientific and technological experts, but they are not government offices'.²⁷

Gradually both the 'academy' and the 'tourism office' were granted tacit diplomatic status and Israeli officials came to China as 'guests' of the academy and Chinese officials visited Israel as 'guests' of the CITS. In early 1991 just before *Operation Desert Storm* China agreed to the Israeli request 'to post' veteran diplomat and former ambassador to the Netherlands, Zev Sufort to the academy. In March Merhav visited China and breaking from the past secrecy, for the first time the Chinese authorities officially acknowledged the visit.²⁸

Meanwhile the Tourism Office in Tel Aviv expanded its cooperation with Israeli travel agents and the absence of direct flights did not inhibit the flow of Israeli tourists to China. One such 'tourist' was Defence Minister Moshe Arens whose photograph along the Great Wall appeared in Israeli media in November 1991.²⁹ The following month, Chinese Vice-Foreign Minister Yang Fuchang visited Israel and held a wide range of discussions with Israeli officials. In an unusual gesture signalling

²⁶ *Hadashot*, 7 July 1987, in *FBIS-CHI*, 13 July 1987, p. F/1.

²⁷ *Al-Hayat* (London), 28 September 1991, in *FBIS-CHI*, 3 October 1991, pp. 14–16. Likewise, the head of the Israeli Centre in Beijing maintained, 'We don't represent the (Israeli) government... (but only) people-to-people contacts'. Quoted in *Israeli Foreign Affairs*, July 1990, p. 6.

²⁸ Leaks in the Israeli media prior to Merhav's visit partly influenced Chinese behaviour. Discussions of Merhav's visit can be found in Sufort, *op. cit.*, pp. 7–22.

²⁹ Because of personal differences with Foreign Minister David Levy, Prime Minister Yitzhak Shamir often used Defence Minister Arens for sensitive missions. For a discussion of Arens' 'secret' visit to China see, *Israeli Foreign Affairs*, 16 December 1991, pp. 7–9.

party-to-party contacts, the Chinese leader met opposition leader Shimon Peres at a Labour Party convention. During this visit both countries agreed to establish diplomatic relations prior to the inauguration of the Moscow meeting of the multilateral track of the Middle East peace process. The relations were formalised when Foreign Minister David Levy visited China in January 1992 and both countries signed a formal agreement on 24 January. As part of the agreement Israel unreservedly recognised Chinese claims over Taiwan while China bestowed its recognition upon the once demonised Jewish state.

BILATERAL RELATIONS

The end of the Cold War, Arab willingness to seek a political and negotiated settlement with Israel and Chinese desire to be involved in the Middle East peace process influenced and enabled the Chinese reappraisal of its policies towards Israel. However, in some ways the normalisation appears to be an integral part of China's attempts to improve and consolidate its ties with the US. Having been hostile and indifferent for long, China has re-discovered Israel and its regional and international influences. Writing about the motives behind Chinese overtures Moshe Zak, veteran Israeli journalist remarked:

the Chinese may have been addressing Israel, but they were really talking to the Jewish people. . . it is more convenient for the Chinese to act friendly towards Israel as the surrogate of the Jewish people. They thus hope to pave the way for large Jewish capital investments in developing China, and are even hoping for Jewish assistance in mobilising good will in Washington.³⁰

One can find similar views in the Chinese media. For instance, months after normalisation one Chinese commentator remarked: 'As Israel is closely linked to the international market and there are Jews in all parts of the world, most of whom are tycoons and leaders of large financial groups, we can expand our exports through Israel'.³¹

³⁰ Moshe Zak, 'China's Path to "Jewish Power"', *The Jerusalem Post*, 15 October 1993. According to Sufott, a 1986 internal policy paper argued that 'China's interests in the United States would be served by establishing contacts with Israel'. Sufott, *op. cit.*, p. 80.

³¹ Ling Hua, 'Vigorously Push Forward Sino-Israeli Trade Ties', *Guoji Shangbao* (Beijing), 7 June 1992, in *FBIS-NES*, 6 July 1992, p. 18. Likewise, a Hong Kong-based daily remarked:

Israel enjoys a special relationship with the United States. The Jewish people in the United States have always supported Israel and are very influential in the US political, economic and media circles. It is not possible for Israel's establishment of diplomatic relations with China not to have some effect on Sino-US relations.

'China, Israel Establish Diplomatic Relations', *Wen Wei Po*, Editorial, 25 January 1992, in *FBIS-NES*, 27 January 1992, p. 19. On the eve of normalisation, Chinese Foreign Ministry spokesman Wu Jianmin told Israeli correspondents: 'When I lived in the United States, many professors told me that the most successful students in US universities are Chinese and Jewish. There is nothing unusual about that, seeing that our

At the political level, since normalisation Sino-Israeli relations have grown considerably and there were numerous official visits and exchanges. Following the spate of Israeli visitors to China, Foreign Minister Peres asked the Prime Minister to 'restrain the flow of ministers travelling to China'.³² However, Chinese officials did not reciprocate these visits. For quite sometime especially since the election of Benjamin Netanyahu a number of visits have been cancelled or postponed. Lamenting on the absence of reciprocity, Israel's first ambassador in Beijing Zev Sufott remarked:

... no Israeli leader or dignitary has foregone the experience of a visit to China, which had been in its entirety a Forbidden City for Israelis over the decades. However, their successors in office must now await reciprocal visits from their Chinese Colleagues. One Chinese Vice Premier and a Foreign Minister have visited Israel, as have a number of other ministers. But Jerusalem still awaits a Chinese Presidential or Prime Ministerial reciprocal visit. Indeed, it is no secret that Israel's current President (Ezer Weizman) wishes to visit China and is counselled that he should patiently await a visit of China's President, following the Israeli Presidential visit to China at the end of 1992. Even Israel's Foreign Minister is inhibited by the fact of two visits of Israeli Foreign Ministers to China having been reciprocated by only one such visit from China, as of the end of 1996.³³

Israeli leaders, however, do not seem to mind the absence of Chinese 'reciprocity'. On the contrary highly visible political contacts between the two countries often on Chinese soil, have enabled Israeli leaders to establish a personal connection with their Chinese counterparts.³⁴

Since 1992 there were one Presidential visit (Chaim Herzog in December 1992), two Prime Ministerial visits (Yitzhak Rabin in October 1993 and Benjamin Netanyahu in May 1998; the latter also made a brief stopover in Beijing in August 1997 during his state visit to the Far East), three visits by Foreign Ministers (David Levy in January 1992 and February 1997 and Shimon Peres in May 1993). Anticipating a domestic turmoil over the peace process, President Weizman postponed his scheduled visit to

two nations have many things in common. We are both courageous, intelligent and hard-working'. *Yedi'ot Aharonot*, 24 January 1992, in *FBIS-NES*, 29 January 1992, p. 17. See also Xu Xin's statements in Collins' *op. cit.*, pp. 8-10.

³² A cartoon in *The Jerusalem Post* aptly summed up the mood. Standing in front of the Forbidden City Prime Minister Yitzhak Rabin was telling his cabinet colleagues: 'Since you all like to travel so much, I thought we could hold our cabinet meeting here today'. *The Jerusalem Post*, 11 January 1994.

³³ Sufott, *op. cit.*, p. 143. However, it is possible to make similar statements about Israel's relations with various other countries, the number of state visits undertaken by Israeli leaders to the west is far less than the visits from these countries. Moreover, on an average Israeli Prime Minister makes four annual visits to Washington to attend various official, semi-official, private or community functions.

³⁴ One can compare the Sino-Israeli situation with Indo-Israeli relations. Though it followed the Chinese example in normalisation of relations with Israel, India had little high level contacts with Israel. Other than a brief meeting between Prime Minister Deve Gowda and his Israeli counterpart Benjamin Netanyahu during the Davos Economic Summit in early 1997, the visit of Israeli President Ezer Weizman in December 1996 remains the only high level political contact between India and Israel. Though various Israeli leaders including late Prime Minister Yitzhak Rabin were eager, India was not enthusiastic about high profiled visits from Israel.

China in December 1997.³⁵ Reacting to the May visit of Prime Minister Netanyahu, an editorial in *Ha'aretz* commented: 'In Israel's wobbly diplomatic condition it should be considered an achievement that the government of China, for its part, did not request a deferment of the visit and did not, as far as we know, change the programme prepared for Netanyahu's three-day stay in the country'.³⁶

The highly publicised visit of Vice Premier Li Lanqing in February 1997 was, however, overshadowed by Deng's death and Li had to cut short his trip and return home.³⁷ Coinciding with the handover of Hong Kong, on 30 June 1997 Israel and China signed a mutual visa exemption agreement between Hong Kong and Israel. Under this agreement Hong Kong residents visiting Israel and Israelis visiting the former colony would not require visas. In an unusual move Israel decided to retain its mission in Hong Kong and having opened a Consulate in Shanghai shortly after normalisation, Israel presently has three diplomatic missions in China.³⁸ The Communist Party has also maintained relations with the Israeli Labour Party, for instance, in March 1997, a Communist Party delegation led by Li Shuzheng, alternate member of the Central Committee, was in Israel as a guest of the Labour Party and met Peres. While ideology drew the Communist Party towards the Labour Party, it was not indifferent towards the ruling Likud coalition and met its leaders. In May, China throttled an attempt by some Arab countries to prevent Israel's participation in the Asian anti-desertification conference being held in Beijing and facilitated Agricultural Minister Rafael Eitan's participation.

Concerning the Middle East peace process, China has expressed its support for peaceful resolution of the conflict and reiterated the importance of the land-for-peace formula. Unlike other great powers, it does not seek any direct role in Israel's negotiations with the Arabs but is content with 'active participation' in various multilateral working groups.³⁹

However, like many countries, the Chinese perception of Israel appears to have been influenced by the internal developments in Israel and their impact upon the peace

³⁵ The death of Deng led to the postponement of the trip initially slated for March 1997. The cancellation came under severe criticism from the Israeli Foreign Ministry as well as the Prime Minister's Office and both saw Weizman's move 'very harmful' to Sino-Israeli relations. *IDF Radio*, 17 October 1997, in *FBIS-NES*, 20 October 1997. The visit is slated for July 1998. *Xinhua*, 19 February 1998, in *FBIS-CHI*, 26 February 1998.

³⁶ 'The Importance of China', *Ha'aretz*, Editorial, 26 May 1998.

³⁷ Likewise Foreign Minister Levy visited China during Deng's mourning period and received little media attention. Earlier, Chinese Vice Premier Zou Jiahua had visited Israel in October 1994.

³⁸ This is rather unusual because due to budgetary considerations a number of Israeli missions including its embassy in Kathmandu were slated for closure. Following protest from these countries, the Foreign Ministry however, reversed the decision in June 1998. Liat Collins, 'Foreign Ministry Decides not to Close 15 Consulates, Embassies', *The Jerusalem Post*, 17 June 1998. Furthermore, while allowing three Israeli missions on its soil, China has not sought any reciprocal moves. There were suggestions that while it allowed an Israeli consulate in Shanghai, Beijing sought a second mission to be located in Jerusalem (more likely to be in the eastern part) which was not viewed favourably by Israel.

³⁹ A detailed discussion of Chinese policy towards the Middle East peace process can be found in the interview of Wu Sike, Chinese Foreign Ministry official responsible for the Middle East, to *Wen Wei Po* (Hong Kong), 4 January 1997, in *FBIS-CHI*, 97-010 (electronic edition).

process. For example, a few months after Netanyahu was elected Prime Minister in May 1996, one Israeli analyst lamented: 'At the moment, the Chinese establishment's attitude is disparaging towards Israel. Former Prime Ministers Shimon Peres and Yitzhak Rabin remain popular, while Prime Minister Benjamin Netanyahu is heatedly criticised as threatening the peace process in the same terms heard throughout the West'.⁴⁰ In April 1998 Peres was in China at the invitation of the Chinese People's Association for Friendship with Foreign Countries and his visit received widespread media coverage in China. Apart from meeting senior leaders including Jiang Zemin and Qian Qichen, he also addressed the students at the Foreign Affairs College in Beijing.⁴¹

During his Middle East trip in January 1998 Qichen visited Israel (his second visit since normalisation) and reiterating Chinese support to the peace process, he remarked that the Netanyahu government should 'enforce promises made and agreements reached by its predecessors'.⁴² A few months later the crisis in the Persian Gulf and President Clinton's tough position vis-à-vis Iraq rekindled a pro-Arab stance in the Chinese media and it accused the US of practising 'double standards' concerning violation of UN resolutions. In the words of one commentator, 'imposing pressure on Israel once again will not only be restrained by the Congress controlled by the Republican Party, but it will also be opposed by the ultra-Rightists forces among the American Jews'.⁴³

At the economic level, even five years after normalisation the total trade turnover between Israel and China stands at less than \$300 million and is much smaller than Israel's trade with Taiwan. This meagre trade can be attributed to 'China's relative poverty, fewer attractive exports, and bureaucratic difficulties in completing deals'.⁴⁴ While bilateral trade is not large, progress has been impressive in other areas of economic relations such as investments and joint ventures. The low cost of production, the availability of skilled labour and the vast domestic market have attracted a number of Israeli companies including *Elbit*, Israel Chemicals (ICL), *Rada* Electronic Industries, Elco Holdings, electronics manufacturer Vishay Intertechnology, Dead Sea Works and Sano to establish joint ventures in China. These joint ventures cover such diverse products as detergents, potash manufacturing, mining, refining and production of tantalum capacitors, air conditioners, oil manufacturing, vegetable

⁴⁰ Barry Rubin, 'Rethinking the China-Israel Relationship', *The Jerusalem Post*, 17 November 1996. See also, Qi Deliang et al., 'Repeated Internal Crises; Bleak Peace Prospects: A Look Back at Israel in 1997', *Xinhua*, 4 January 1998, in *FBIS-NES*, 11 January 1998.

⁴¹ Among others see, *Xinhua*, 6 April 1998, in *FBIS-CHI*, 7 April 1998. It is not accidental that Peres was named 'Honorary President' of the Council for the Promotion of Israel-China Relations.

⁴² *Xinhua*, 10 January 1998, in *FBIS-CHI*, 13 January 1998. This formulation implies the tacit understanding reached between Israel and Syria over the Golan during the tenure of Rabin, a position the current Israeli government is unwilling to accept. Keeping in tune with the practice of numerous foreign dignitaries, Qian met Yitzhak Rabin's widow Leah.

⁴³ Li Yunfei, 'International Forum', *Renmin Ribao*, 27 January 1998, in *FBIS-CHI*, 4 February 1998. See also, 'Diplomatic Solution Preferred to Gulf Crisis', *Xinhua*, 10 February 1998, in *FBIS-CHI*, 11 February 1998; Lieu Shun, 'The Gulf Cries for Our Peaceful Solution', *Xinhua*, 9 February 1998, in *FBIS-CHI*, 11 February 1998.

⁴⁴ Rubin, *op. cit.*

drying factories, packaging, sewing machines, aircraft maintenance, telephone networks and the construction and maintenance of toll roads.

Israel is setting up a joint potash fertiliser factory with a production capacity of 800,000 tons of potassium chloride in Northwest Qinghai Province. In September 1995 the Eisenberg firm United Development Incorporation (UDI) entered into a deal with a Chinese consortium for the construction of two 350 megawatt power units at Rizhao, on the coast of Shandong Province. The \$625 million project would be financed through private investment without any bank guarantees.⁴⁵ The UDI is also collaborating in setting up a diamond trading centre in Shanghai. In May 1998 the Eisenberg group signed a \$450 million contract for the construction of a potash plant in Western China.⁴⁶

Responding to these needs, in April 1995 Israeli Finance Minister Avraham Shohat visited China and signed a double taxation avoidance treaty and an investment protection treaty. Of the two treaties, the latter is of greater significance as more and more Israeli companies are making investments or establishing factories in China. For instance, in 1995 Israel Foreign Trade Risk Insurance Corporation (IFTRIC) approved a \$150 million line of credit to Israeli companies investing in China.⁴⁷ In September 1995 Israel and China agreed to establish a joint technological park in Tianjin aimed at expanding the production of Israeli technological goods using Chinese workforce and productivity. In February 1996 Israel despatched two tons of medicines following an earthquake in Lijiang region.

Any discussion of Sino-Israeli relations would be incomplete without a reference to the military dimension. The prolonged Chinese indifference towards Israeli political overtures was complemented by active participation in the military-security field. While political relations with Israel posed certain problems to Chinese interests in the region, military cooperation, if wrapped in secrecy, was an attractive proposition. China's need for western technology for its defence modernisation programme was complemented by the specialised nature of Israeli expertise. Even while publicly condemning Israel's policies and its leadership, China found it prudent to interact and collaborate with the Israeli military establishment.

A detailed discussion of the nature of the relations is beyond the scope of this paper, but it is essential to comment on certain salient features and their importance to the overall bilateral relationship. It is widely recognised that military exports and cooperation predated and even facilitated political relations between China and Israel.⁴⁸ However, there is lack of consensus among scholars on the nature and depth

⁴⁵ *The Jerusalem Post*, 15 September 1995.

⁴⁶ *The Jerusalem Report*, 8 June 1998, p. 44.

⁴⁷ *The Jerusalem Post*, 6 and 11 April 1995.

⁴⁸ For background studies see P.R. Kumaraswamy, 'The Star and the Dragon: An Overview of Israeli-PRC Military Relations', *Issues and Studies* (Taipei), Vol. 30, No. 4, April 1994, pp. 36-55; 'The Military Dimension of Israel-China Relations', *China Report*, Vol. 31, No. 2, April 1995, pp. 235-49; Bates Gill and Taeho Kim, *China's Arms Acquisition from Abroad: A Quest for 'Superb and Secret Weapons'* (Oxford: Oxford University Press, 1995), pp. 81-86. See also, Gerald Segal, 'Israeli Arms for China: Wishful Thinking?' *Soviet Jewish Affairs*, Vol. 11, No. 2, 1981.

of the relations and their importance to third parties. Political compulsions and diversity of interests present conflicting assessments. Though there were speculations since the late seventies, for long the issue was treated as unimportant and doubts were raised about the veracity of various claims and reports.⁴⁹

Most of the literature on the subject is unanimous on certain salient features of this relationship. Concerted interaction in the sensitive arena even in the absence of formal relations ensured a degree of trust and cooperation between the two countries and their political leadership. Likud Prime Minister Menachem Begin and his Defence Minister Ezer Weizman were credited with supporting the suggestion by Israeli business tycoon Shoul Eisenberg to explore the Chinese intentions through the non-conventional military route.⁵⁰

Eisenberg's offer could not have come at a better time. In the face of its prolonged failure to influence the Chinese government through diplomatic means, Israel had little choice and Eisenberg was granted the monopoly for dealings with China. Though success was not guaranteed, Israeli expertise in upgrading Soviet inventories and the battled tested nature of its weapons, seemed more lucrative than what Israel could offer politically. For entirely different reasons, the Chinese were also inclined to pursue this approach. Ushering in the post-Mao era, Deng Xiaoping unveiled his four modernisations programme and the military reversals at the hand of Vietnam underscored the need to upgrade the aging PLA arsenal. Through a series of direct and indirect contacts primarily through Hong Kong with Eisenberg functioning as the key player, Israel and China conducted military transactions and technological cooperation.

In the initial phase especially during the Cold War years when the US was preoccupied with the Soviet Union, Israeli arms deals with China appeared to have enjoyed tacit American backing and endorsement. Depending upon Washington's political support and economic largesse it would otherwise have been difficult for Israel to pursue China through military exports. Beijing's sensitivities towards the Arab and Islamic countries with whom it was seeking closer relations and Israel's security considerations compelled both countries to conduct their military transactions under wrap. They rarely responded to media speculations and even when they did, they vehemently denied any military transactions.

Within this broad parameter, there were however differences over the quantum, quality and implications of Israeli exports. In the early eighties western estimates put

⁴⁹ For instance, see, Yitzhak Shichor, 'The Middle East', in Gerald Segal and William T. Tow, *Chinese Defence Policy* (London: Macmillan 1984), p. 272.

⁵⁰ Until his death in March 1997 Eisenberg remained an important figure in Israel and a Knesset (Israeli parliament) law named after him 'exempts Israelis involved in International trade from Israeli income taxes and foreign exchange regulations'. *The Jerusalem Report*, 24 September 1992, p. 32. The clout he enjoyed with the Israeli establishment was demonstrated during the first state visit to Beijing in December 1992. Instead of travelling by the national carrier E1 A1, President Chaim Herzog travelled to China in a private plane belonging to Eisenberg and aroused strong condemnation in the media. *Middle East International*, 5 February 1993, p. 22.

the Sino–Israeli military deals at \$3 billion, a figure that has multiplied ever since.⁵¹ To achieve such high volumes Israel would have exported substantial quantity of hardware; there is consensus among analysts that Sino–Israeli relations mainly revolve around technology, avionics and software.⁵² At the same time, reports of meagre estimates of Israeli exports should be taken with caution. According to the Israeli Defence Ministry estimates submitted to the US State Department, during 1990–94 Israel exported only \$31.5 million worth of arms to China.⁵³

Low estimates of Israel's arms exports are often mentioned as another reason for dismissing media reports and intelligence assessment as 'exaggerated' claims. However, in dealing with the export data provided by the Arms Control and Disarmament Agency (ACDA) and the Stockholm International Peace Research Institute (SIPRI) assessments, it is essential to note that both these sources include only certain categories of exports. They exclude areas such as upgrading and modernisation, the key components of Israeli arms trade. For example, the SIPRI admits that its arms trade data only

... cover five categories of major weapons or systems: aircraft, armour and artillery, guidance and radar systems, missiles and warships. Statistics presented refer to the value of the trade in these five categories only. The registers and statistics do not include trade in small arms, artillery under 100-mm calibre, ammunition, support items, services and components or component technology, except for specific items. . . .

.... Transport aircraft and VIP transports are included if they bear military insignia or are otherwise confirmed as military registered. Micro-light aircraft, remotely piloted vehicles and drones are not included although these systems are increasingly finding military applications.⁵⁴

In short, a vast category of Israeli exports does not fall under the purview of the SIPRI data. Since the late eighties the exports of Israel Aircraft Industries, the flagship of Israel's arms industry, alone stand at over \$1 billion, a figure much higher than the estimates given by the ACDA and SIPRI.⁵⁵

Reasons for the conflicting assessment and recent Israeli determination to underplay the quantum of exports can be traced to growing American concern about Sino–Israeli arms transactions. Since the end of the Cold War Israel ceased to be 'an American proxy' to China and its military dealings with China appear to be conducted over and above American objections. The emerging US dominated post-Cold War

⁵¹ Larry Englemann, 'Dragon's Teeth: China and the International Arms Bazaar', *China Strategic Review* (Washington, DC), Vol. 1, No. 9, December 1996, pp. 19–23.

⁵² Shichor, 'The Middle East', *op. cit.*, p. 272; Segal, 'China and Israel', *op. cit.*, p. 207.

⁵³ Quoted in Yitzhak Shichor, 'Israel's Military Transfers to China and Taiwan', *Survival*, Vol. 40, No. 1, Spring 1998, p. 77.

⁵⁴ 'Sources and Methods', in *SIPRI Yearbook 1997* (Oxford: Oxford University Press, 1997), pp. 341–42. Besides the data also do not include unguided artillery rockets, portable anti-armour rockets and small patrol craft with a displacement of less than 100 tons.

⁵⁵ According to another estimate, Israeli arms exports crossed the \$1.2 billion mark in 1980 and have grown since then. Aharon Klieman and Reuven Pedatzur, 'Rearming Israel: Defence Procurement Through the 1990s', *The Jerusalem Post*, 1991, p. 79.

international environment, strong commercial considerations and apprehensions of transfer of sensitive technology have led to a new American approach towards Sino–Israeli military relations.⁵⁶ Ownership of Israeli inventories and exports to China have come under greater scrutiny and criticism. Often senior US administration officials including those friendly to the Jewish state, have accused Israel of indulging in illegal and unauthorised transfer of American technology to China.

Likewise, there are conflicting assessments of the Chinese reverse engineering and re-exporting Israeli technology to the Middle East. The commercialisation of arms exports has enhanced the importance of the Middle East market for China and Israeli leaders have often expressed concern about Beijing's involvement in non-conventional programmes of countries such as Iran and Iraq. Though earlier Chinese assurances were received with scepticism, of late, Israeli officials have given a clear bill of health to China over this issue.⁵⁷ Because of the commercialisation of its arms exports, it would be difficult for China not to incorporate Israeli technology in its exports to the Middle East and thereby maximise profits. China may discard this approach if Israel were to offer more attractive incentives in terms of advanced technology hitherto not available to Beijing.

On the whole, however, military transactions such as arms exports, technology transfers and upgrading of Soviet supplied inventories played an important role in the formation and consolidation of Sino–Israeli relations. In recent years, however, Russian mistrust has given way to willingness to export modern weapons and platforms to China, some of which include joint production and technology transfer arrangements.⁵⁸ Though certain industries would benefit from this new development, the entry of Russia would affect and possibly modify the long-term direction of Sino–Israeli military cooperation. Not only is Israel keen to promote military ties with China, but it is also seeking the cooperation and participation of third parties.

⁵⁶ Of late, concerns about Israeli impropriety have been taken up by the mainstream American media and are voiced by leading figures in the US administration and academic. For a detailed discussion see Duncan Clarke, 'Israel's Unauthorised Arms Transfers', *Foreign Policy*, No. 99, Summer 1995, pp. 89–109. See also P.R. Kumaraswamy, 'Israel, China and the United States: The Patriot Controversy', *Israel Affairs* (London), Vol. 3, No. 2, Winter 1996, pp. 12–33.

⁵⁷ According to Yitzhak Shichor, '... an investigation by the Ministry of Defence concluded that, despite Washington's claims, no Israeli or Israeli-related technology had been transferred by China to a hostile government over the last 15 years'. Shichor, 'Israel's Military Transfers to China and Taiwan', *op. cit.*, p. 85. This position contradicts past assessments; among others see, *Ha'aretz* (Tel Aviv), 5 August 1983, in *FBIS-ME/83-157*, 12 August 1983, pp. 1/3–4; Segal, 'China and Israel', *op. cit.*, p. 208; Shichor, 'Hide and Seek', *op. cit.*, p. 205. For a critical evaluation of Chinese 'assurances' see, Roger W. Sullivan, 'Discarding the China Card', *Foreign Policy*, No. 86, Spring 1992, pp. 3–23.

⁵⁸ For a detailed and recent discussion see, Alexander A. Sergounin and Sergey V. Subbotin, 'Sino–Russian Military-Technical Cooperation: A Russian View', in Ian Anthony (Ed.), *Russia and the Arms Trade* (Oxford: Oxford University Press, 1998), pp. 194–216. In the words of Paul H.B. Godwin: 'Although ties with some Western arms manufacturers are slowly being resuscitated, including China's cooperation with Israel's military industries, Russia now plays the central role in China's military modernisation programme'. Godwin, 'Military Technology and Doctrine in Chinese Military Planning: Compensating for Obsolescence', in Eric Arnett (Ed.), *Military Capacity and the Risk of War: China, India, Pakistan and Iran* (Oxford: Oxford University Press, 1997), p. 44.

During his official visit to Moscow in March 1997, Prime Minister Netanyahu persuaded Russian President Boris Yeltsin to supply IL-76 early warning aircraft to Beijing so that Israel could export Phalcon radar systems to Beijing.⁵⁹

Since late 1994 it has been reported that Israel is assisting China in the development of an advanced jet at a plant in Chengdu in Sichuan Province. Comparable to the American F-16, the Chinese jet would be based on Israel's Lavi project and would extensively incorporate technology and avionics developed during that phase.⁶⁰ Since much of the Lavi technology was supplied or funded by the US, Israeli cooperation in the development of the jet designated as F-10 would remain controversial and problematic.

AREAS OF CONCERNS

On the negative side, Israel has been extremely concerned about China's suspected involvement in the nuclear and missile programmes of countries hostile to the Jewish state. Repeated Chinese assurances of non-involvement are often accompanied by new revelations of China pursuing these financially lucrative projects either directly or through proxies such as North Korea.⁶¹ Partly because of its own military ties with Beijing, Israel has so far avoided launching a campaign against China similar to the one being launched against the suspected Russian involvement in the Iranian nuclear and missile programmes.

Israel often justifies its military cooperation with China as a means of influencing the Chinese arms exports to the Middle East. Besides financial incentives, the military sales to China are seen as 'a form of insurance for Israel' in seeking to influence the Chinese exports of weapons and technology to Syria, Iraq and other Arab countries.⁶² The issue of Chinese arms sales to the Middle East figures prominently in Sino-Israeli dialogues. During the visit of Foreign Minister Peres in May 1993, the Chinese leaders assured him they had decided to stop sales of missiles to Iran and Syria.⁶³ Subsequently, however, Israel feared that while keeping this undertaking, China had pursued such deals through North Korea, an issue that figured prominently during Rabin's visit a few months later.⁶⁴

⁵⁹ *Defence News*, 10 March 1997, p. 28. This comes amidst repeated Israeli concern over Moscow's suspected involvement in the Iranian nuclear programme.

⁶⁰ *The Jerusalem Post*, 29 December 1994 and 5 January 1996.

⁶¹ For a recent and critical review of Chinese arms sales to the region see, Frank J. Gaffney, 'China Arms the Rogues', *Middle East Quarterly*, Vol. 4, No. 3, September 1997, pp. 33–39. For a Chinese perspective on this issue see, Guang Pan, 'China's Success in the Middle East', *Middle East Quarterly*, Vol. 4, No. 4, December 1997, pp. 38–39.

⁶² See also, Gerald Steinberg, 'The China Syndrome in US-Israel Relations', *The Jerusalem Post*, 20 December 1996. Months before normalisation, Don Shamron, Chairman of the Israel Military Industries (IMI) and Israeli Chief of Staff during the Kuwaiti crisis, saw military deals with China as 'a deliberate move to interfere with China's arms sales to Arab governments'. *Israeli Foreign Affairs*, 16 December 1991, p. 8.

⁶³ *Kol Israel*, 20 May 1993, in *FBIS-NES*, 20 May 1993, p. 10.

⁶⁴ David Makovsky, 'Rabin may Visit Moslem Country after China', *The Jerusalem Post*, 5 October 1993. See also, Michal Yudelman, 'Rabin, Zvilli to Chinese: Stop Arming Iran', *The Jerusalem Post*, 8 August 1993.

During Netanyahu's brief stop-over in Beijing in August 1997, Deputy Prime Minister for Foreign Trade Li Lan Chin assured him that China would not help Iran build a nuclear weapon capability. Israeli leaders have been bending over backwards to ameliorate criticisms of Chinese arms sales to the region and shortly after the formal declaration of normalisation, David Levy remarked: '... it would be unfair to say that... (arms race) pertains to China alone; the same can be said about the superpowers and about countries friendly to Israel which have made similar deals'.⁶⁵ The issue of arms exports figured again during Netanyahu's state visit in May 1998.

Even though Israel has been accommodative towards Beijing, China has remained indifferent towards Israeli sensitivities regarding Jerusalem. Jerusalem Mayor Ehud Olmert decided to boycott the Fifth World Conference of Historical City scheduled to be held in Xi'an in September 1996 because the PLO official Faisal Husseini was also invited as a representative of the city.⁶⁶

For its part, Beijing appears to be sensitive about issues such as Taiwan and Tibet. The former has been a complicated dimension of Israel's China policy. If political and strategic calculations, especially following its admission into the United Nations, made China important, economic considerations made Taiwan an equally attractive proposition. Therefore, Israel sought a constructive ambiguity whereby it could woo Beijing while seeking lucrative economic advantages from its ties with Taipei. At the political level, Israel was unwilling to antagonise mainland China and consciously avoided bestowing recognition upon Taipei.⁶⁷ Unlike some of the Arab countries, Israel neither recognised nor established diplomatic relations with the island republic. For long Israel's vague 'one China policy' suited both the rivals across the Formosa Straits.

At the economic level, Taiwan has been an attractive proposition for Israel and its defence related hi tech industries. Though there are no definite estimates, Taipei remained a principal market for Israel's defence exports.⁶⁸ A number of developments and regional and international political situation enabled Israel to pursue Beijing without jeopardising its ties with Taipei and vice versa. Apart from economic incentives, Taiwan also offered certain political incentives: the prolonged refusal by Beijing to reciprocate Israeli overtures, Beijing's political and financial support to radical anti-Israel states and groups in the Middle East and the American desire to strengthen Taiwan through reliable proxies.⁶⁹ Furthermore, faced with growing isolation, especially since the late seventies, Israel and Taiwan (together with South Africa) shared a common view of security threats.⁷⁰ Without alienating Beijing, Israel has been able to explain and justify its relations and commercial and military ties with Taipei.

⁶⁵ *Kol Israel*, 24 January 1992, in *FBIS-NES*, 24 January 1992, p. 6.

⁶⁶ *The Jerusalem Post*, 28 August 1996. See also Sufott, *op. cit.*, p. 144.

⁶⁷ Israeli non-recognition of Taipei became an important issue in its diplomatic manoeuvres. See, for example, Walter Eytan's memorandum submitted to G.S. Bajpai, dated 1 March 1952, Israel State Archives, Jerusalem, Foreign Office File 2554/12.

⁶⁸ P.R. Kumaraswamy, 'The Star and the Dragon', *op. cit.*, pp. 51–54; and Shichor, 'Israel's Military Transfers to China and Taiwan', *op. cit.*, pp. 72–73.

⁶⁹ Yaacov Shimoni, 'Israel and the People's Republic of China', in Michael Curtis and Susan A Gitelson (Eds), *Israel in the Third World* (New Brunswick, NJ: Transaction Books, 1976), pp. 215–16.

⁷⁰ Aharon S. Klieman, *Israel's Global Reach: Arms Sales as Diplomacy* (Washington: Pergamon, 1985), p. 25.

The normalisation of Sino–Israeli relations in January 1992 significantly reduced Israel's diplomatic manoeuvres. Without having to terminate any political relations with Taipei, Israel declared that it recognises 'the Government of the People's Republic of China is the sole legal government representing the whole of China, and that Taiwan is an inalienable part of the territory of the People's Republic of China'.⁷¹ Even though Israel set up a commercial office in Taiwan shortly afterwards, a number of developments indicate that Israel has been extremely careful not to antagonise Beijing and jeopardise its hard earned normalisation.

Shortly after Israel established relations with Beijing, Taipei expressed a desire to acquire 40 Kfir fighter/bomber aircraft from Israel. For the recession hit Israeli military industry, the deal was too tempting and was estimated to be between \$400 million and \$1 billion.⁷² Though there were some doubts about the seriousness of Taiwanese intentions, Israel sought and obtained permission from Washington for the export of this US-powered fighter. Israel's security establishment including the Defence Ministry was in favour exporting Kfirs to Taiwan. Some even argued that since Beijing had been insensitive to Israel's security concerns, the latter should proceed with the sale despite Beijing's objections.⁷³ The Foreign Ministry, however, perceived the issue differently and argued that it would endanger hard earned normalisation and may even limit Israel's ability to influence Beijing's arms sales policy to the region, Israel's ambassador to China flew home to successfully lobby against the deal.⁷⁴

A diplomatic row erupted in early 1995 when the newly installed Taiwanese President Lee Tenghui wanted to visit the Holy Land as part of his Middle East tour. Coming on eve of the controversies surrounding his forthcoming visit to New York to receive an honorary doctorate at Cornell University, Israel was rather apprehensive.⁷⁵ A number of Arab countries having close ties with Beijing including Jordan and the United Arab Emirates hosted President Lee. Israel, however, was unwilling to test the Chinese waters and turned down Lee's suggestion to visit Christian holy sites as a 'private' individual. According to Sufott, the official handling of the request was an opportunity for Israel 'to demonstrate her commitment to One China policy'.⁷⁶

Both in private and in public Chinese officials have underscored their basic position on the Taiwan question: while not objecting to economic relations, any political moves towards Taipei would be viewed differently. Speaking at a meeting in Tel Aviv in January 1997 organised by the Council for the Promotion of Israel–China Relations to celebrate the fifth anniversary of normalisation, the Chairman of the

⁷¹ For the complete text of official communique see, *Xinhua Domestic Service* (Beijing), 24 January 1992, in *FBIS-CHI-92-016*, 24 January 1992, p. 6.

⁷² *The Jerusalem Post*, 17 April and 4 August 1992; *Jane's Defence Weekly*, 18 July 1992, p. 6; Supplement to *Israeli Foreign Affairs* (Sacramento), 5 September 1992, pp. 27–28.

⁷³ *Supplements to Israeli Foreign Affairs*, 5 September 1992, p. 28.

⁷⁴ P.R. Kumaraswamy, 'Rift in Israel over Sale of Jets to Taiwan', *The Hindu*, 9 August 1992; and Asher Wallfish, 'IAI Presses Rabin on Kfir Sales to Taiwan', *The Jerusalem Post*, 4 August 1992.

⁷⁵ David Makovsky, 'Taiwanese President may not be Welcomed Here', *The Jerusalem Post*, 27 March 1995.

⁷⁶ Sufott, *op. cit.*, p. 144.

Chinese People's Association for Friendship with Foreign Countries hoped that Israel 'will not enter into official relations with Taiwan'.⁷⁷ Such pressures and controversies have not affected the steady growth of Israel's bilateral trade with Taiwan and the annual trade turnover between the two countries is much higher than its trade with China.⁷⁸

Second, the visit of the Dalai Lama in March 1994 caused serious concern among Israeli officials. The Nobel Laureate was visiting Israel as a guest of the Society for the Protection of Nature in Israel (SPNI) and was participating in its fortieth anniversary celebrations in Eilat at a site overlooking Israel, Jordan, Saudi Arabia and Egypt. Though he was honoured by the Hebrew University and visited the *Yad Vashem* holocaust museum in Jerusalem, the visit was described as a private pilgrimage and Israeli officials tried to underplay the importance of the trip.⁷⁹

While seeking political ties with China, Israel has studiously avoided taking any position on China's human rights record. Not only was its response mild and muted, but Israel has also been credited with China breaking the western sanctions following the Tiananmen crackdown.⁸⁰ An official Israeli delegation was in Beijing during the crisis and the delegates had to walk through the crowd of demonstrating students at the Tiananmen Square to meet their Chinese hosts.⁸¹ In recent years, however, Israeli cooperation has come under criticism from the western critics of China's human rights record. In August 1995, following his release by the Chinese authorities, human rights activist Harry Wu urged Israel to stop 'dealing with evil'. In an interview with the Israeli Radio, Wu remarked that if Israelis 'are really concerned about concentration camps, concerned about the Nazi fascists, they have to apply the same principle to China'.⁸² In an unusual and unprecedented move, in May 1997 Israeli Trade Minister Sharansky warned visiting Chinese State Planning Commission Minister Chen Jingu that furthering of economic cooperation between China and Israel would depend upon improvement in China's human rights record. It is still unclear whether Israel would be able to forego the economic incentives of the Chinese economy over issues such as human rights.

⁷⁷ The Council incidentally was founded and funded by businessman Eisenberg.

⁷⁸ At regular intervals Israeli media carries reports about negotiations and agreements between Taiwan and Israel's hi-tech defence related companies and Israel has expressed an interest in launching Taiwan's first satellite abroad its Amos satellite. *The Jerusalem Post*, 28 January 1994.

⁷⁹ Batsheva Tsur, 'Officials Snub Dalai Lama, Fear Harming Relations with China', *The Jerusalem Post*, 21 March 1994. Aware of the Chinese sensitivities, discussions on Sino-Israeli relations often ignore the visit and its impact. Only Environment Minister Yossi Sarid (in his capacity as a leader of the Meretz party) met the Tibetan spiritual leader.

⁸⁰ Among others see, Xiaoxing, 'Sino-Israeli Relations', *op. cit.*, p. 73; *Jane's Defence Weekly*, 31 January 1996, pp. 49-51.

⁸¹ Abraham Rabinovich, 'Science Path to Heavenly Kingdom', *The Jerusalem Post*, 7 February 1992.

⁸² Israel, however, rejected suggestions that it was China's principal supporter and that the Chinese regime would 'crumple if it withdrew its support'. *The Jerusalem Post*, 28 August 1995; and Arieh O'Sullivan, 'Harry Wu Assails Israel-China Ties', *The Times of India* (New Delhi), 28 August 1995.

CONCLUSION

By establishing formal diplomatic relations with Israel, China ended an anomalous situation that existed since Israel recognised the communist rule. Normalisation marked the end of Israel's political isolation and signalled China's desire to play an active role in the Middle East. Since 1992, political contacts and dialogue between the two countries have grown considerably. Significant sections of the Chinese leadership view this relationship as a stepping stone to the US, while Israel sees it as a means of influencing China's security related cooperation with countries hostile to it. Israel even used China as a conduit for a dialogue with North Korea until this was scuttled by the US. However, Chinese military exports to hostile countries have been a major Israeli concern.

At the economic level, Israel is yet to benefit from China's economic miracle and bilateral trade between the two countries remains meagre and marginal. Direct Israeli investment in China, however, has been growing and the largest Middle East investment in China has come from Israel. Because of its late entry, China remains a marginal player in the Middle East peace process. While reiterating its known pro-Arab position, its criticisms of Israel have increased since the election of Netanyahu-led right wing government in Israel. Though it is not seeking an active role in the peace process, its defence related ties both with Israel as well as its adversaries provide China with the necessary political influence and leverage for a more active role in the future.