

The reasons for the decline of American hegemony and its impact on China's regional policies in the Middle East

Las razones del declive de la hegemonía estadounidense y su impacto en las políticas regionales de China en Oriente Medio

Ellias Aghili Dehnavi¹, Mobin Karbasi²

1 M.A in North America Studies, Allameh Tabataba'i University

2 M.A in North America Studies, Allameh Tabataba'i University

Fecha de recibido: 2020-02-08

Fecha de aceptado para publicación: 2020-03-08

Fecha de publicación: 2020-04-03



Abstract

The present study examines the causes of the decline of American hegemony and its impact on China's regional policies in the Middle East. Discussion of the decline of American hegemony is one of the materials on which there are different views. This issue is of great importance because of its impact on international politics. The reasons for the declining US hegemony trend and its impact on China's regional policies in the Middle East have not been addressed yet. The key question that has been addressed in this regard is what are the reasons for the decline of American hegemony and its impact on China's regional policies in the Middle East? The present study is a descriptive-analytic one and uses library method to investigate the mentioned question. The results indicate that the trend toward US hegemony is declining, citing the need for multilateralism, the US financial crisis, and its impact on the country's financial and manufacturing industry and the emergence of new powers, including China. The declining trend of American hegemony has influenced China's regional policy. The decline in US influence has provided China with an opportunity to trade and energy. China's strong need for energy resources in the Middle East has made it present more actively than ever in the Middle East as it has concluded numerous oil contracts with Saudi Arabia, Iraq and Iran.

Keywords: hegemony, US, oil, multilateralism, China and the Middle East

Resumen

El presente estudio examina las causas del declive de la hegemonía estadounidense y su impacto en las políticas regionales de China en el Medio Oriente. La discusión sobre el declive de la hegemonía estadounidense es uno de los materiales sobre los cuales hay diferentes puntos de vista. Este tema es de gran importancia debido a su impacto en la política internacional. Las razones de la tendencia descendente de la hegemonía estadounidense y su impacto en las políticas regionales de China en el Medio Oriente aún no se han abordado. La pregunta clave que se ha abordado a este respecto es ¿cuáles son las razones del declive de la hegemonía estadounidense y su impacto en las políticas regionales de China en el Medio Oriente? El presente estudio es descriptivo-analítico y utiliza un método de biblioteca para investigar la pregunta mencionada. Los resultados indican que la tendencia hacia la hegemonía estadounidense está disminuyendo, citando la necesidad de multilateralismo, la crisis financiera estadounidense y su impacto en la industria financiera y manufacturera del país y la aparición de nuevas potencias, incluida China. La tendencia descendente de la hegemonía estadounidense ha influido en la política regional de China. La disminución de la influencia de los Estados Unidos ha brindado a China la oportunidad de comerciar y obtener energía. La fuerte necesidad de China de recursos energéticos en el Medio Oriente lo ha hecho presente más activamente que nunca en el Medio Oriente, ya que ha concluido numerosos contratos petroleros con Arabia Saudita, Irak e Irán.

Palabras clave: hegemonía, EE. UU., Petróleo, multilateralismo, China y Oriente Medio

Introduction

From the standpoint of structural realism, the hegemonic system is the most unstable situation in the international system. The United States has become a hegemon in the world and it has the components of a hegemonic power including a huge economy, a huge military power, and a fascinating culture that has brought to the world the standards of this hegemonic power. Immanuel Wallerstein links the history of American hegemony to 1873, the time when the economic crisis was sweeping the world. From his point of view, after that the United States was able to control its greatest global markets, achieve political stability and fight its ideological opponents, such as Nazi Germany through media and culture, to maintain its hegemony over the international system and the end of the Second World War, which causes the great economic crisis for European countries, repeatedly stabilized the country's position due to its economic growth and its distance from the battlefield. (Wallerstein, 2002: 61)

The end of the Cold War accelerated the process of change mentioned above and led to the dispersal of the power structure. On this basis, theorists such as Samuel Huntington have spoken of the formation of an international unimultipolar system in which the United States has been a superpower with several other key powers. (P. Huntington, 1993: 22 - 49) But American hegemony seems to be on the decline and the international system is gradually including the transition from west to east. Although some, like Huntington, say in terms of the components of power, the world today is multi-polar in the sense that the US military is still a superpower, but there are other poles in the economic and social arena, such as the European Union and China. (Ibid, 22 - 49) But despite these interpretations, it should be said that the US is gradually losing its monopoly over key industries and has been heavily indebted to Asia, and especially China. In recent decades, the promotion of soft power has become the central focus of strategic thinking in various countries of the world, especially the United States, and many of its foreign policy principles have been formulated in this regard. Of course, the United States has many limitations in this regard, for example it accounts for less than 15 percent of global imports. Although GDP accounts for more than 25 percent of the total world economy, but considering the real difference between its growth rate with Asian nations and many other countries, many of which grow by two to three times. (Fallon, 2014: 175-182) Meanwhile, with the revolution in the information and political and

economic crises of the West, liberal capitalist values are not just considered universal and legitimate values because numerous state and non-state actors are propagating their ideas and values. But what are the reasons for the declining trend of American hegemony? the evidence of which is largely visible. The present study seeks to address the fundamental question of what are the reasons for the decline of American hegemony and how will the decline of American hegemony affect China's regional policies in the Middle East? In order to answer this question, the theoretical framework of the research is presented first, then the reasons for the decline of American hegemony are discussed, and then the impact of American hegemony on Chinese Middle East policy will be expressed.

2. Theoretical Framework: The Decline of Hegemony and Balance Theory

In the international system, hegemony refers to the initiative power of a powerful government in global governance and its unchallenged superiority that exploits the necessary economic, military and ideological and political resources. (Callco, 1987, p.14) Hegemonic powers usually use their power to create a set of political, economic, and behavioral norms that promote stability in the system, while at the same time these structures and norms strengthen security in hegemonic countries. Joseph Nye views hegemony as a situation in which "a country is powerful enough to govern relations between other countries and intend to do so. According to this view, the international system derives from the supremacy of power, not from the parallelism and continuity of the system created by the dominant power which is necessary to maintain stability." (Aminian, 2007, pp. 31-32)

Hegemony has both material and immaterial dimensions. The material conception equates hegemony with a particular distribution of material resources and believes in the existence of a distinct and dominant state. Hegemony in this view is equivalent to being unipolar. Some scholars also emphasize the global economic structure, while others believe that the state must dominate the distribution of military and economic power to achieve hegemony. Some also believe that hegemony is beyond the distribution of economic or military resources. Hegemony is not only about material power but also about social goals. Naturally, there is competition in politics, and other governments are trying to gain, enhance, maintain, and display power. This is especially true among powers that are closer to the position of greater power. Power is a relative matter, not an inherent characteristic of the nation itself, but rather, it is the characteristic and trait of a nation's relations with other nations (Organansky, 1355: 329). Therefore, all nations

strive for greater power and, depending on different rates of economic growth, and technological advancement, it is possible for other lower powers to surpass the hegemonic power. (64: 2002, Ocallaghan & Griffiths).

In fact, the main reason for the decline of power in the maturity stage of power is not related to the power of the nation at the stage of industrial maturity, but to the ratio of state's power to that of other states which have entered the stage of power growth, and as far as these governments go in the direction of the power growth, the difference in their power with the other industrialized states will disappear. (Organansky, 1355).

But the logic of decline is not driven by the attitude of power transfer, but rather it has a rapid and long-term sense. When it suddenly feels that hegemonic authority is being seriously challenged, hegemony has begun to decline. The hegemon seems to be in financial trouble and can no longer function as before. But even with the onset of decline, hegemony has long been the strongest military, political, economic and cultural power. Others cannot easily confront or ignore it, so the decline is slow and in the early stages is ambiguous (Moshirzadeh, 2005: 2001).

For Pulkendy, the uneven rate of growth in societies with technological leaps and social organization leads to an increased production capacity and ultimately to a powerful government. This situation demands a powerful army that also contributes to the increase of wealth and power and also pursues the strategic expansion of the country. But after a while, military and arms spending overwhelmingly outweighs its benefits and leads to gradual weakness and decline. In his view, no society has ever been given the opportunity to always be ahead of others because such a situation would not change the status of the various growth rates, technological advancement, and military evolution that have existed since ancient times (Kennedy, 1991: 10).

Hence, we see that the position of hegemony and its emergence, continuity and collapse has a certain logic that a power can use in its position of power and management to achieve that position and perform its specific function and then decline. In fact, hegemonic status is not a closed system, but a fluid platform in which it is open to its providers, and it can be considered the focal point of the circles that governments seek to move, like moving units on its orbits to get close to that point and they will compete with others in this endeavor.

But it seems that the balancing theory needs to be helped to explain more accurately the decline of American hegemony. Although traditionally the theory of balance of power today no longer has the power to explain issues and it is still one of the

most important theories of international relations to explain the behavior of the great powers. Balancing takes two forms: 1. Strict balance and 2. Soft balance.

1. Strict balance: Strict balance comes when weak governments come to terms with the domination and influence of a strong state. In their view, the cost of allowing superior power to pursue policies is more than the cost of resisting its unacceptable domination. Strict balance means that a group of countries will form a coalition against superior power and confront military power with its military technology to counter its dominant power to modify its capabilities. (Pape, 2005, p.36).

2-Soft balance: The soft balance theory that was used to describe the civilian types of balance at the end of the Cold War has attracted the attention of many thinkers in the field. Soft balance refers to any kind of indirect and civilian effort to reduce the ability of superior power and increase its power. The soft balance has two levels. One level is the external form of soft balance that relies on public diplomacy. Public diplomacy is conducted through multiple state and non-state actors in contact with public opinion. Public diplomacy is the use of soft power. Soft power is an indirect means of attracting one actor to act without coercion in accordance with the wishes of another actor. The assumption of soft power is that actors must be able to attract others to their particular view that is considered legitimate and credible. If the actors can attract others to their point of view, the need to use more expensive resources of strict power will be reduced. In the current situation, soft power is the result of information and attraction. As a result, it is one of the sources of power of a country in the international arena. Thus, the axes of today's political paradigms of the world are shifting from geopolitics and power to a postmodern world of image and influence.

The soft balance can certainly explain US interactions on the one hand and powers like China on the other. According to the theory of balancing, countries such as China are trying to balance and reduce US power by using the principle of balancing and utilizing soft balance instruments. China's soft balance instruments are based on the use of economic power and public diplomacy. China's rigid balancing tools include things like concluding security deals with other countries and building security alliances like Shanghai.

3. Reasons for the decline of American hegemony

To explain the declining trend of American hegemony, several reasons have been attempted in this regard to examine the causes of the decline of American hegemony:

3.1. The need for a multilateralist approach

Concerning the concept of multilateralism, it first emerged in the twentieth century as a model of diplomacy alongside bilateral diplomacy. Bridges and Alan James, writers of diplomacy culture, consider multilateralism as a relationship between three or more countries in permanent or temporary international relations. (2001: 7-13, Wiseman) Multilateralism can be expressed through "diplomatic solutions and co-operation with several countries, under the auspices of international regimes, using previously agreed rules and also guidelines for achieving coherent policies." (2008: 194, Drezner) The world today faces problems such as climate change and phenomena such as international terrorism that require international cooperation. International cooperation is also possible through multilateralism.

The nature of multilateralism is based on institutional cooperation in the economic, political, communication, social, cultural and security fields (Dehshiri, 2004: 55). Institutionalism emphasizes international security and peace. International organizations and multilateral institutions are working to achieve mutual cooperation. Although the international system is anarchic, there is the opportunity for cooperation between actors. Governments are using international regimes to solve problems. These regimes, in a variety of subject areas, provide international actors with ways to solve international problems. Regimes facilitate and develop inter-state co-operation on the basis of universal norms, values and legal norms, and enhance governments' ability for cooperation and agreement. (Karimi Fard, 1394: 162-191)

During the presidency of Barack Obama, America was more inclined to avoid hegemony and multilateralism than ever before. Obama sought to strengthen power and legitimize international institutions, and emphasized multilateralism and did not find unilateral tools of foreign policy useful. After coming to power, Obama pursued a different foreign policy than his predecessor, hoping to improve America's position in the world. He referred to the American nation not as an "exceptional nation" but as an "equal partner" to other nations. His policy co-ordinates emphasized multilateralism, an apology for the past, and a more limited role at the global level. From a large conception of the Obama National Security Doctrine, different positive and negative approaches can be obtained. negative approaches include: avoidance of unilateralism, preventive warfare, reliance on military intervention and positive approaches include: multilateralism, emphasis on economics, new regional capacity making. Considering this approach, Obama believed to pursue security in this way, because if

the political and security environments are in the process of cooperation, then there will be less costs to cross the regional crisis. On the other hand, Americans were trying to achieve a more effective and favorable position in the economic and strategic areas of the Obama era. This is an inevitable necessity in the post-Bush era. Hence, all of America's strategic economic planning is organized to achieve this purpose. (Karimi Fard, Pishin, 196-1919)

Also, one of the most important prerequisites for the US shift to multilateralism was new trends in world politics and economics, which served as a strategic backing of the United States for the development of multilateralism. This became more and more desirable when the world system became involved in the process of strategic multilateralism. In the Obama era, security and economic institutionalism were seen as the key strategy of US economic policy to extend sanctions against Iran. In such a process, the globalized international system needs to take advantage of the institutions that can provide the necessary situations for countering threats through multilateralism. (Masli Nadzad, 2015: 22-23) The traces of all-lateralism necessity cannot be seen in the current policies of President Trump. In Trump's view, Russia is America's natural ally in the fight against terrorism in the world. He believes Putin is a credible and respected leader, and the United States should seek to rebuild and expand relations with Moscow. Washington is ready to work closely with Moscow and fight alongside each other with extremism. (2017, Rucker and Young De)

Of course, with the departure of the Paris Climate Change Agreement, Trump showed that he would only be all-lateralist in areas where US resources would require, but Trump's approach does not diminish the importance and necessity of multilateralism in dealing with global problems.

3.2 The Western financial crisis, the decline of industrial capacity and the competitiveness of the manufacturing and financial industries.

The financial crisis of 2008 began in the housing sector. In the shadow of the profitability of the housing sector that began in the US in 2005, banks turned to the housing sector for greater profits and provided people who wanted houses with lucrative facilities. The bubbles in the housing market began to rise step-by-step as the housing prices, as well as market boom and then rising stock markets and false increases in value, began to increase. As these bubbles burst, housing prices decreased, and borrowers had no incentive to repay their loans. As a result, the credit and financial institutions that provided the housing sector with many facilities faced with crisis. American economic power, military power, and soft power were also affected by the crisis. For the

sake of saving, some of its military projects and programs were suspended. Also, at the end of 2011, Obama pledged to cut the military budget to \$ 487 billion over the next decade, and ordered the military forces to adjust their national defense strategy to the above-mentioned crisis (Zarretti, 1391). Base on the fact that most of the soft power of the United States derives from the hard power and the country's economic capabilities it can be said that soft power of the United States has been greatly affected by the crisis and its consequences. When the nation's military and economic power is diminishing, that nation loses not only its hard power resources but also the ability to shape international priorities and some attractions, and thus loses its soft power resources. (Nye, 2010: 144)

One of the most important consequences of this crisis was the acceleration of the process of increasing in power, the importance and international role of the so-called emerging powers. During the years of crisis, China passed Germany as the second-largest economy, and also the date that is predicted to overtake the United States is changing repeatedly. In 2003, Goldman Sachs reported that this is expected to happen in 2014, as it was before 2007 crisis, but after the financial crisis, economists have suggested that their calculations show that this will happen in 2019. (James 2011: 530) That didn't happen, of course. Also, according to forecasts, these emerging powers, or in the BRICS countries by 2023, will be economically larger than the G7 group.

These countries accounted for 30 percent of global economic growth between 2000 and 2008, compared with 16 percent in a decade earlier. Until 2050, close to 50% of the world markets' assets will belong to these groups of countries (Hosseini, 2012). In recent years, these countries have sought to play an active, co-ordinated and commensurate role with their capabilities and power in international political and economic spheres as their economic strength has increased. Members of this group have described the current multilateralism in the international system as an action that mainly involves Western leadership. Consequently, with effective multilateralism, they ask for their widespread involvement in political, economic, and monetary international institutions to participate equitably in decision-making, agenda-setting, negotiating procedures and regulative procedures. In fact, the crisis of 2008 through the strengthening of new international actors and the weakening of US national sovereignty have had a significant impact on the structure of the global economic system and on the strength and influence of the United States. And reinforcing emerging powers and other

international actors in the Canary Islands will clearly demonstrate the enormous limitations for the United States (domestically and internationally) and the need to change its foreign policy.

In fact, as many international relations theorists have termed power a relative concept in the hierarchy and also in the structure of the international system, it can be stated that at the same time as one component of power decreases, the power of other countries will increase. Thus, in the face of declining American power, financial crisis and other factors, competing states and powers will gain more power. The consequences of this issue are the increase of power and the role of emerging countries and the promotion of their position in the international system and, consequently, the creation of important changes in the world economic system that provide the necessary situation for change in US foreign policy with perpose of adapting to these conditions and restoring national and international power. Another issue that has been affected by the situation has been the adverse effects of the economic crisis on US power and influence, increasing the country's debt burden.

The importance of the issue is so widely believed that today, America's biggest problem is not the emergence of the great powers that beat the drums to compete with the United States, but rather the heavy burden of debts on the US economy. (Walt. 1391:32). Base on the expectations continuing process of debts for the US government and the inability of the political system to manage them over the next ten years, is so annoying and it is likely to be one of the major contributors to the financial crisis.

According to experts' findings, US government's debts in 2021 are projected to rise about \$ 20.1 trillion, based on a new hypothetical scenario of government spending cuts, equivalent to 85 percent of US GDP in 2021. Under the current scenario, it is predicted that US debts will grow to \$ 22.1 trillion or 93 percent of US GDP in 2021 (Derakhshan 1390: 10). The global economic crisis and the US economic problem have had their effect on one of the bases of US economic strength, the US dollar, and have weakened the value of the international currency against other currencies. The advantage of the dollar as a currency and international reserve for the United States lies in the fact that many of the countries' imports, such as oil, are denominated in dollars, and many US trading partners have converted their currencies into dollar. Thus, during periods of declining domestic economics, the central bank can manage monetary policy without being worry about the inflationary consequences of the US dollar exchange rate fluctuations and it can also

use comparative advantage of the dollar in reducing money. (Saheed and Hazrat 1386: 164). The reality is that US policy is different from the rest of the world as a result of this advantage. US policy makers can pursue fiscal expansion policies without worrying about the inflationary affects of money creation, that will have inflationary affects in other countries of the world due to the unusual currency. In fact, because of the rising demand for dollar exchange rates, it is possible for the US to respond to the growing demand for international currency exchange by creating credit and issuing its currency. At the same time, the financial value seems to have been hampered by the crisis, leading to a further decline in world confidence in the country's economy and, consequently, the dollar's position as a global reserve currency.

Because of the financial crisis, the economic downturn, rising rate of unemployment, other widespread problems and worsening dissatisfaction, especially in the context of social movements such as the Occupy Wall Street Movement or the 99% Movement and The Tea Party Movement in these communities, this issue was reinforced by various American groups, whose main priority today is to strive to relieve the current situation, to regulate the domestic situation, to rebuild the nation's economy, to strengthen the middle class and to change procedures and also to avoid costly and unnecessary international responsibilities.

Accordingly, considering the importance of economic power in the US global position and the provision of national security and the damage to this part of American power by the recent crisis and the emergence of new powers, one of the most important priorities in today's US government is the need to restore and rebuild economic power and to provide all the conditions that would serve this purpose. The focus of this country is on internal affairs that can be seen in detail in its 2010 national security strategy, in which Obama emphasizes: " Our strategy begins with acknowledging that our strength and influence in abroad depends on the steps we take within the country." He also points out that " Time has passed for the war on terrorism and must work on multilateral diplomacy " (Clinton.2012: 9).

The decline in industrial capacity and the competitiveness of manufacturing financial and service industries is one of the most pressing problems that have plagued the United States in recent decades. Considering the size and economic strength of the country, a decline in productive capacity could pose a major challenge in this sector; for example, in the civilian transportation industry, the growth rate of the Airbus and Boeing manufacturing industries over last ten years has jumped from 3.7 percent to 5.5 percent. In the automotive industry, Japanese,

European and South Korean products have also outpaced American products. The United States is also facing major problems in the financial industry. It currently has a post-industrial structure and an important part of it is the service sector, which is currently facing problems of excessive expansion, excessive profitability, weak oversight and economic failure. These factors have diminished the quality of services and, consequently, the charm of domestic politics. (C. H. Songchuan, 2011)

Due to the activity of new social movements that have been formed since the 1960s as anti-war, human rights and gender-based movements, there have been significant cultural and social problems for the country. By challenging US political, economic, and cultural institutions in the long run, these movements can inflict irreparable blows on the country's soft power resources. In this connection we can refer to the Wall Street movement that formed in protest of the symbols of American capitalism.

This movement which is because of the state of influence of US currency on representatives, the greed of private and wealthy corporations, government corruption, government financial assistance to the big institutions of Wall Street, economic monopoly, freedom of expression, media dominance, unemployment, property issues, increasing wage inequality, racial and gender discrimination, ignoring prisoners' rights, killing and torturing innocent overseas civilians, producing weapons of mass destruction, working environment, deteriorating environment, world bank loan and dissatisfied students' debt, represents the declining power of the country in the political, social, cultural and economical issues.

3.3. Emerging powers – China

While some experts estimate China's upheaval peacefully and argue for Confucian culture, the Chinese have always adapted themselves, most of the Chinese were unhappy to the UN structure, the largest international institution since World War II, and its performance. The respond of 84 percent of Chinese to the question "Is it good or bad for China to become a military power like the US?" were good. (The Pew Global Attitudes Project, 2011: 36) So, with all the claims about China's peaceful movement, there is a demand among the Chinese to reach the level of US power. However, in the 1980s, Japan did not have this desire, and it was one of the factors that the United States prevented Japan from growing.

The most important new emerging power is China. By recognizing the power component of today's sector, the economy, and by not rushing to power, China has sought to provide itself with a peaceful external and internal environment in order to achieve economic development. China's



exports to the United States have increased 16 percent over the past 15 years. China had two patterns:

The first model was Soviet model that should become militarily strong, and active and countervailing policy must be pursued in the field of selected works and articles of the 10th Congress. The second was the American model, which first reinforced its endogenous components and adopted a passive, non-confrontational approach to foreign policy. Seeing the results of these two models, China has preferred to adopt the American model, and so China has only spent two generations in the economy. (Dehshyar, 1386, 42) China, with \$ 1.5 trillion (three times as much as Japan and twice as much as the European Union), won the 2008 financial crisis, which saw economists as the world's savior this year. The 20 fastest growing cities in the world are all in China. China has been the world's most successful economy in the last three decades with an average growth of 8%. (Farzin niya, 1389) China will have about \$ 70 trillion GDP by 2050, compared to \$ 38 trillion for the United States. According to another achievement, China's share of world production drops from 11% today to 40% and US share from 22% to 14%. (Sari-ol-ghalam, 1390, 50)

Of course, the transfer of power from West to East is not just about China. In general, emerging economies have created institutions and organizations for themselves, such as the Shanghai Cooperation Organization (G20) and Brix. The latter is one of the most important symbols of emerging powers since the first decade of 2000 and since June 2009 five of its members (Brazil, Russia, India, China and South Africa) have decided to hold annual meetings. Brix accounts for half of the world's population and 22% of the world's production (\$ 37 trillion). And the important point is that the demographic and economic growth of these countries are much higher than that of Western countries. And in the military field, the Shanghai Organization is one of the most important institutions. In addition to the current six members, including China and Russia, India and Pakistan have been accepted and will be fully integrated in the near future. A lot of research has been done on the capacity, aims and purposes of this organization, which is not possible to investigate here. In the US, it is said that there are two approaches to the emergence of China in general and emerging powers. Liberal and optimistic approaches believe that China's rise is an inevitable reality and must be coordinated. On the other hand, these governments have become more conservative because of the central economy and the development of prosperity, and their harsh stance against them only makes it

move towards radical nationalism and anti-Americanism.

For example, the approach that prioritizes the economy over politics states that the US needs economic cooperation with China to opposition the 10 million unemployed and 43 million below the poverty line. Meanwhile, the United States can restrain China by containing its commitment to international organizations and regimes such as the World Trade Organization. But in a realistic and pessimistic approach, China's goal is to undermine American hegemony, and although it wants to make its rise peaceful, it does not meet many international norms such as intellectual property. So, America's goal is to "restrain" rather than "cooperate" with China. This policy-oriented approach holds that the two countries have strategic conflicts with each other and should not be ignored for political and security reasons because of the economic benefits. (Ghanbarlo, 2011)

Also, following the global economic crisis of 2008, the challenge to the legitimacy of the free market economy and the liberal capitalist model of democracy, China's role in international institutions such as the International Monetary Fund, the World Bank or the Group of Twenty has increased; the country's influence in these institutions has diminished. In addition, the formation of new regional and international institutions, such as the Shanghai Cooperation Organization, all of which has a global stake in the multi-polar system, is another factor. (R. N. Haass, 2008: 89)

Generally, it can be said that the US government is facing a decline in its national power due to the effects of the crisis and a number of other factors in recent years, as well as the emergence of new political and economic powers such as China, Brazil, India and Russia, that are gaining global power with their booming economy, comes to the result that in order to maintain a position of international superiority and to compensate for the backwardness of recent years, it has had to devote most of its attention to domestic and international affairs.

4. The impact of the decline of American hegemony on China's regional policy in the Middle East

In the last two decades, China has become one of the powers of the international system, and in political literature it is mainly referred to a coming power. China's rapid economic growth in the last two decades and its accelerated move to become a major power in international politics have increased its influence on international affairs. By defining China's strategic position in recent years, largely driven by economic growth and, as a result, increased military and diplomatic capacity,

it has transformed its foreign policy in various areas. One of the areas that has been redefined in Chinese foreign policy in recent years is the Middle East. The decline of America's power and influence in the Middle East has provided the space for China to become increasingly present in the Middle East.

4.1. Expanding business relationships

Trade (business) is another important area of Chinese interest in the Persian Gulf. China's high economic growth over the past two decades has dramatically increased its share and role in the world economy and trade. As a result of this general trend, trade (commercial exchange) between China and the Persian Gulf has increased rapidly in recent years.

Trade between China and the GCC totaled \$ 1.5 billion and increased to \$ 20 billion in 2004 and \$ 33.8 billion in 2005. That amounted to \$ 70 billion in 2008. (Kawac,2010) In addition, in 2004, China and members of the GCC began negotiations on the creation of a free trade zone that has continued up to now. If these negotiations come to an end, the volume of trade between China and the GCC countries is likely to increase more rapidly. (CSIS,2006)

But in addition to the Southern Gulf states, China has also expanded its economic ties with Iran. The amount of bilateral trade between Iran and China increased more than 60 times during the decade from 1994 to 2008. In 1994, bilateral trade amounted to \$ 448 million, compared with \$ 30 billion in 2008. (Shariaati Niya, 1388, 61)

Finally, the expansion of influence can be considered as another shaping element of Chinese interests in the Persian Gulf region. The growing economic growth and massive wealth production, combined with the modernization of China's military force, has increasingly increased its influence and role in international politics. This growing power requires the translation of influence into various domains of international politics, something the Chinese are doing. The Persian Gulf, as one of the most important regions of the world from the perspective of translating power into influence and expansion, has gained a special place in foreign policy in recent years. To this end, China's foreign policy expands its influence in the Persian Gulf has deepened and institutionalized its relations with the countries of the region, especially the major players.

The attempt to deepen and institutionalize China's relations with the Gulf states can be seen as a natural consequence of its redefinition of its strategic position in international politics. The rapid promotion of China's position in the international arena has on the one hand expanded its interests and expanded its security environment on the other. The Persian Gulf is an area of importance to China in both areas, so expanding

the influence becomes imperative and rational. Therefore, the expansion of influence can also be considered as one of the main variables shaping China's Gulf policy. Soft balancing against and competing with the United States is one of China's main goals in developing relations and increasing influence in the Persian Gulf region, which appears to be one of the major challenges for American hegemonic efforts in the region.

4.2. Development of energy relations

Initiated by Deng Xiao Ping, china's economic reforms, began in the early 1980s. With this alliteration, economic reforms became China's top priority. In a gradual process, China's socialist economic system was pushed toward a market-based system. (Shariati Nia, 2006: 4) Researchers believe that in the early stages of the economic growth of a country, growing demand for energy is inevitable. (Griffin, 1378: 164-163). Accordingly, tool-based economic reforms have boosted China's energy demand, making it increasingly dependent on importing energy carriers. China is now consuming 56 percent of the Asia's energy consumption which is the world's biggest producer of energy (jian, 2011: 7). The International Energy Agency predicted that China's energy demand will increase by 75 percent between 2008 and 2035 (china Energy, 2010-2011).

Although China is the world's largest coal consumer, it has pursued a policy of changing this source of energy to oil due to environmental reasons, which is one of the reasons for China's rising energy demand rate. In fact, China is the world's sixth largest oil producer with 3.5 million barrels per day, yet its economy is not supplied and Beijing's dependence on energy imports is increasing day by day. While oil production rate in China is increased 17 times from 1965 (beginning of oil production in China) to 2008, its consumption increased by 37 times. On the other hand, China buys more than half of its needed oil from energy sources of the Middle East, which raises China's concerns about energy security, with 85% of energy imported through sensitive areas such as the Straits of Malacca, Hormuz and Suez. Obviously, any serious disruption to energy transfer from these areas will result in slowing or even stopping China's economic growth (jian,2011:9).

Increased consumption of natural gas has also increased China's demand due to being economically and environmentally friendly. It is predicted that the power sector is going to grow 60 percent of natural gas demand by 2030. (Behroozi Far, 2006: 35) The overall trend of China's economic developments in the coming years, as well as statistics and figures on the current and future state of energy production and



consumption in China, indicate that China will continue to grow. Its economy is increasingly dependent on energy imports and its supply and security every day which is necessary for Preserving the legitimacy and survival of the country's political system. The most important reason for China's shifting policies toward the Middle East and striving for a greater presence in the region is the pressing need for this energy-intensive development economy. Increasing dependence on global markets has added to the concern of China's energy authorities; China's domestic resources are limited and the high rate of demands have revealed infrastructure failures to meet its energy demands. Consequently, it is difficult for Chinese authorities to protect China's economic growth despite insecurity in the production, supply and transferring the energy. "Given these conditions, the issue of energy security for China is one of the most important foreign policy issues. In other words, China's energy security in the current situation is one of the most strategic priorities of China's foreign policy that will obviously have a significant impact on its behavior on the international scene." (Vaezi, 2008:8). Currently China supplies its energy needs from the Middle East, Africa, Eurasia, Latin America and Southeast Asia. The Middle East has the world's largest oil reserves. In this case, the Persian Gulf, which holds more than two-thirds of the world's proven oil reserves and one-third of the world's natural gas reserves, is valuable to China in the process of developing its industries. (Kemp and Harcavie, 2004: 326). China, as a major power with growing demands like other powers of the world, and perhaps even more, needs Persian Gulf's oil.

China is pursuing a wide range of diplomatic, commercial and economic measures in the Middle East with the aim of implementing its energy strategy and meeting the commercial objectives of the oil companies, to provide space for energy contracts by guaranteeing a friendly and peaceful environment. For example, they seek to use their international influence to foster regional stability, manage active energy diplomacy, develop interdependence in the field of energy, and The economy through bundles of loans, trade, support for the investment of Chinese oil companies in the region, and authorization of Middle East countries to invest in their "downstream industries" (Xin, Ibid).

Chinese companies have also focused on northern business activities such as oil extraction and production, engineering services, refining and petrochemicals. Unlike "international oil companies", which seem to have a restricted short-term return, Chinese oil companies may be considered as a longer-term outlook considering

the governmental supports, and therefore have a more flexible approach to oil contracts. Although Chinese oil companies are active in oil and gas projects in other countries such as Kuwait, Oman, Qatar, Syria, the United Arab Emirates and Yemen, their main focus is on the three main oil producing countries: Saudi Arabia, Iran and Iraq, which their nature and proportion of dependence are different.

Saudi Arabia is one of China's primary sources of oil imports and will soon become its main source of oil and natural gas. Energy is the main focus of China-Saudi cooperation. A statement by former Chinese Deputy Prime Minister Li Keqiang has summarized Saudi-Chinese relations: "This partnership will serve the fundamental interests of the two countries to advance comprehensive co-operation in energy exploration, technology services, business and policy exchange." China-Saudi energy cooperation is inherently multifaceted in order to achieve win-win conditions and joint development. This partnership includes oil imports, upstream operations, downstream construction of oilfield refineries and petrochemical industries. Over the past four years, Saudi Arabia has supplied 17 percent of China's total oil imports. China is taking the United States as the number one importer of Saudi Arabia in the world. Saudi Arabia's exports to the United States reduced from 1.5 million barrels a day last year to 989,000 barrels a day, the lowest level in 22 years, according to data from the Energy Information Administration. Meanwhile, Saudi oil sales to China last reached more than one million barrels a day last year, almost double the year before. "Saudi Arabia now holds about a quarter of China's oil imports." (Gao Zugui, 2014; 45). Given the instability of the world oil market and the stalemate of Iran's negotiations with the international community, these figures are expected to increase.

Saudi Arabia's importance in China's energy strategy is due to its reserves and production capability, along with its regional and international impact on energy. Saudi Arabia remains China's most important oil producer, although in 2006 Angola took its place. Saudi Arabia is one of the biggest countries in the field of gas energy. After Russia, Iran, and Qatar, Saudi's gas reserves are in the top four.

In early 2012, Sinopec signed an agreement with Saudi Aramco to build a refinery on the Red Sea coast with Saudi Arabia. The project was originally started in 2006 as a joint venture between Aramco and ConocoPhillips. Sinopec will own 37.5% of the refinery stock, which will greatly increase Chinese presence in the Saudi domestic market. Due to the fact that the city of

Yabou is strategically located on the west coast of the Arabian Peninsula. Construction of the refinery dramatically increases the ability of Aramco and Sinopec to export refined oil to international markets. Using the refinery will also bypass the Strait of Hormuz, thereby reducing China's vulnerability to security developments in the Persian Gulf region. Negotiations are also in progress between Sinopec and Aramco in order to build a refinery in Fujian a Chinese state. One related aspect is the rejection of China-Saudi energy cooperation in the petrochemical industry. Saudi Arabia has made significant strides in this field in past recent years. Saudi Basic Industries, a world-leading petrochemical company, exports petrochemical products to China for more than \$ 2 billion a year.

Iran is also one of the biggest countries in the field of energy. Iran is ranked second and third in terms of gas and oil reserves, and has therefore attracted much attention from China. At the time, China is importing a part of its energy needs which are an important share of oil and soon "liquefied natural gas". China's most important rationale for cooperation with Iran is not only to ensure the supply of oil and gas, but also because of the business opportunities offered by oil companies. Iran is one of the few countries that allowed China to invest in important industries. In 2007 and 2008, China was the Iran's largest oil trade partner. (Mgnus, Burnett, 2006, p 15)

China's activities in Iran include improving refining, plumbing, engineering, and drilling services for oil wells. North Pars gas exploration projects and the development of Yadavaran Oil Field are the most important projects between the two countries. The North Pars Gas Development Contract has been signed between China National Offshore Oil Company and the National Iranian Oil Company, which is said to be coming to an end soon. The project requires a \$ 16 billion Chinese investment. Another \$ 2 billion worth project named Yadavaran has been signed in 2007 between the National Iranian Oil Company and "China Petrochemical Company", China Petrochemical Company will develop Yadavaran and buy 10 billion tonnes of liquefied petroleum gas over 25 years from Iran. (Niu Xinchun, 2014; 39)

China and Iran have signed a series of contracts worth more than \$ 200 billion. Iran had earlier requested the Sinopec Companies to develop a comprehensive plan to improve Iran's energy resources. The plan includes exploration, drilling and development plans. In October 2004, Iran and China's Sinopec Complex signed a \$ 100 billion contract to acquire 250 million tons of liquefied natural gas and 150 to 160,000 barrels of crude oil a day. In 2009, Beijing and Tehran signed a \$ 8.2 billion contract to develop Neft Arak Refinery.

(Jon B. Alterman and John W. Garver, 2008; 7) In December 2009, Chinese companies signed a \$ 6 billion contract to expand Iran's vast North Pars gas center. According to the deal, the Chinese side will build a factory for liquefied natural gas in Iran. This will take 8 years to complete. The Chinese company will receive 50% of the produced gas, given that the oil reserves at the center are about 17 billion barrels, so the Chinese share of the project will be more than \$ 100 billion.

In addition, the North Azadegan field development was signed between Pars National Oil Company and China National Oil Company in 2010. Its capacity is 260,000 barrel per day, that will cover 90 percent of the project costs. The oil field is expected to have 25 years of production time, with around 320 million barrels of oil being extracted. The estimated price of crude oil per barrel and a \$ 50 refund Estimates of the field's revenue over the next 25 years are estimated at \$ 16 billion

As stated above, the second contract between Iran and China is the Yadavaran. The first phase of the development was worth \$ 2 billion in 2009 between the Iranian National Petroleum Company and the China-based company Sinopec. After three years the investment money for developing the first phase has increased by \$ 1 billion and \$ 633 million. Based on this agreement, the development of the first phase will produce 85,000 barrels and the second phase will produce 100,000 barrels (totaling 185,000 barrels per day). Assigned to Chinese Company The project will be in the first phase for four years and in the second phase for three years, with initial investment in the first phase estimated at about \$ 2 billion. Yadavaran oil fields with the total of more than 3.17 billion barrels is in the south of Azadegan oil field in Khuzestan province. It is estimated that about 2.3 billion barrels of crude oil is produced and its daily production is projected to exceed 300 to 400,000 barrels of crude oil.

In addition to Saudi Arabia and Iran, China is also keen to invest in Iraq. Iraq is also rich in oil resources. It is fourth in the world in terms of oil reserves and in tenth place in terms of gas reserves. Many of Iraq's reserves have not been discovered, and if discovered, it may China's involvement in the Iraqi oil industry can be traced back to Saddam's era, when production and development contracts between the National Oil Company of China and Baghdad over the Khalifa field and the "oil field" were greatly improved. Al-Ahadab were signed. However, these contracts were not implemented due to UN sanctions. In 2009 Iraq invited China to sign oil and gas contracts. The Chinese side eagerly responded to the call. In this regard, China intends to open its footprint by canceling Iraq's debt and even help



them rebuilding the country. It will grant two countries with the aim of guaranteeing cooperation.

Thanks to not having history of colonial background, having a large market, and its investment attractiveness, China has taken advantage of its proximity and, unlike the United States, does not seek political changes in the region. Most importantly, the Western financial crisis of 2008 and its aftermath, including the decline of the US presence in the region, provided good opportunities for China. Of course, China's new Middle East strategy is not only a boom in its historical evolution, but rather a result of the strengthening China's national power and international influence in recent years. China's relations with the Middle East have also been friendly. Both parties share similar views on many regional and international issues in the fields of peace, development, democracy and human rights. Therefore, both parties need to support each other (Drama, 2007:1).

Indicated from information above, energy security can be considered as one of the key components of shaping China's foreign policy in the Persian Gulf. A component that will be increasingly influenced by the growing need for the energy on the one hand and the capabilities of the Persian Gulf region on the other.

China's regional policies in the Middle East. The results showed that a monopoly system and the current hegemonic style won't survive the current multipolar international structure, with other countries such as China seeking to overtake the US economy. In fact, through economic development, China is seeking a soft balance with the American economy, which has almost succeeded in this regard and has completely challenged American hegemony. An example is the unprecedented presence of China in the Middle East, which has been able to establish extensive links in energy and trade with countries in the region, including Saudi Arabia, Iran and Iraq.

Meanwhile, countries such as China increase their conflict with the United States. This provokes the American response to seek supporters and friends in every part of the world. The United States is doing so by only arming competitors with the support of different nations, stepping up the world step by step toward insecurity and war. An issue that opens no way for America to regain its hegemonic power, nor shows humanitarian behavior.

Conclusions

This study sought to examine the causes of the American hegemony decline and its impact on

References

- 1 .Organisky, A. F, The Politics of the World, Translated by Hossein Farhoudi (Tehran: Translation and Publishing Company, 1997).
- 2 .Behruzi Far, Morteza, India and China, Iran's Potential Gas Export Markets, Institute of International Energy Studies, 2006.
- 3 .Zarrati, 2013.
- 4 .Shariati Niya, Mohsen, An Introduction to Iran-China Relations, Islamic Azad University, Vice-Chancellor for Research of Science Production Development, 2009.
- 5 .Camp, Jeffrey & Harcawi, Robert, Strategic Geography of the Middle East, Translated by Seyyed Mehdi Hosseini Matin, Tehran: Institute for Strategic Studies, 2004.
- 6 .Moshirzadeh, Homira, Transformation in International Relations Theories, Tehran: Position, 2005.
- 7 .Drama, Alireza, Research Advisor-Beijing, China in the Middle East, 2007.
- 8 .Provincial, 2013: 32

-Articles

- 1 .Aminian, Bahador, America and the Greater Middle East Plan: Goals, Tools and Problems, Defense Policy Quarterly, 12, no. 48, fall 2007