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# North-South or South-South? Global Development Initiative and Middle Eastern Countries' Development Strategies: A Study of Synergistic Pathways<sup>1</sup>

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### **Abstract**

The Global Development Initiative (GDI), proposed by China in the context of the profound changes in the global governance system and the compounded impact of the COVID-19 pandemic, represents a significant international public good. It aims to promote sustainable development, narrow development gaps, and enhance the selfreliance of developing countries. At present, the Middle East is grappling with interrelated challenges of development, peace, and governance deficits. Intensifying geopolitical rivalries, sluggish economic recovery, limited industrial diversification, and uneven development collectively constrain regional stability and growth. Focusing on key areas such as poverty alleviation, food security, green transformation, and the digital economy, the GDI aligns closely with the strategic priorities of Middle Eastern countries seeking economic diversification and sustainable development. The strong economic complementarity between China and Arab states provides a solid foundation for joint efforts to advance the GDI, with the potential to transform development dividends into drivers of peace, promote regional connectivity, and foster long-term stability. This paper systematically analyzes the alignment between the GDI and development strategies in Middle Eastern countries in terms of policy frameworks, industrial cooperation, and technological innovation. It summarizes prevailing cooperation models and emerging trends, and offers policy recommendations, including strengthening policy coordination, deepening innovation-driven collaboration, and enhancing regional cooperation mechanisms, to support the effective and high-quality implementation of the GDI in the Middle East.

**Keywords:** GDI, Development Plan of Middle East Countries, Development Deficit, Economic Transformation.

### Introduction

Amid a sluggish global economic recovery and widening development disparities, China launched the GDI at the United Nations General Assembly in September 2021. Aimed at revitalizing sustainable development, particularly in the Global South, the GDI focuses on seven key areas: poverty alleviation, food security, public health, green development, industrialization, the digital economy, and connectivity. These priorities are closely aligned with the United Nations 2030 Agenda for Sustainable Development

and reflect a renewed commitment to addressing global development imbalances through a development-centered and inclusive framework.<sup>2</sup>

As a complementary initiative to the Belt and Road Initiative (BRI), the GDI underscores principles of equity, multilateralism, and tailored cooperation, particularly in response to mounting global challenges—such as the COVID-19 pandemic, geopolitical fragmentation, inflationary pressures, and supply chain restructuring—which have disproportionately affected developing countries. The GDI seeks to offer these nations new institutional tools, financial support, and technology-sharing platforms to enhance resilience and accelerate sustainable transformation. Economic growth in the region faces challenges of undiversified structures and insufficient drivers.<sup>3</sup>

In this context, the Middle East represents both a challenge and an opportunity for GDI implementation. Long plagued by ethnic tensions, religious conflicts, and geopolitical rivalries, the region continues to suffer from overlapping deficits in peace and development. Economic structures in many Middle Eastern countries remain undiversified and vulnerable to external shocks, particularly fluctuations in global oil markets.<sup>4</sup> Yet, in recent years, the region has taken significant steps toward reform. Countries such as Saudi Arabia, the United Arab Emirates, Egypt, and Qatar have adopted forward-looking national strategies—including Vision 2030, Centennial 2071, and National Vision 2030—that prioritize green energy, digital transformation, and infrastructure modernization. These strategies signal a shift away from resource dependency toward diversified, innovation-driven growth and greater engagement in regional and global affairs.

The strategic convergence between the GDI and these national agendas presents a unique opportunity for mutually reinforcing development. Specifically, the GDI's emphasis on digital innovation, green transition, and infrastructure connectivity aligns with the core pillars of Middle Eastern development plans. Within the broader framework of South–South cooperation, the GDI also offers a platform for enhancing technology transfer and knowledge exchange among developing countries. Such

<sup>&</sup>lt;sup>2</sup> Linghao Meng, "On the Synergy between 'the Belt and Road Initiative' and 'Three Global Initiatives'", *Socialism Studies*, No.2, (2024):143–144.

<sup>&</sup>lt;sup>3</sup> Weijian Li et al., "Jointly Promoting the Practice of Building a Community with a Shared Future for Mankind in the Middle East," *Arab World Studies*, No.1, (2024):20–27.

<sup>&</sup>lt;sup>4</sup> Degang Sun and Jieying Zhang, "Implementing the Global Development Initiative between China and Arab States:Theory and Practice," *Peace and Development*, No.5, (2022):90.

collaboration is essential for overcoming structural bottlenecks and advancing inclusive, long-term development. Fields like the digital economy and renewable energy, in particular, have the potential to become engines of growth, provided that mechanisms for inter-regional coordination and policy alignment are strengthened.

Against this backdrop, this paper investigates the pathways for aligning the GDI with Middle Eastern national development strategies. It examines key areas of convergence—such as industrial upgrading, green economy, and digital infrastructure—and analyzes current cooperation patterns, implementation mechanisms, and financing models. The study further explores the institutional, geopolitical, and structural challenges facing GDI implementation in the region and proposes policy recommendations for enhancing its operational effectiveness. Ultimately, it aims to contribute to the evolving discourse on global development governance by offering insights into the practical integration of Chinese-led initiatives with the developmental aspirations of the Middle East.

### 1. The Background and Theoretical Rationale of the GDI

### 1.1 The Structural Background of the Global Development Deficit

Entering the third decade of the 21<sup>st</sup> century, the global development landscape has encountered profound and systemic challenges. Since 2020, the COVID-19 pandemic has swept across the globe, severely disrupting national economic systems and social governance structures, and reversing many previously attained development achievements. According to a 2021 United Nations report, approximately 800 million people suffered from hunger—an increase of over 100 million compared to 2019.<sup>5</sup> Simultaneously, the Human Development Index (HDI) declined for the first time in three decades, poverty rates in developing countries surged, and in some regions, populations regressed into extreme poverty.

Importantly, the development deficit is not confined to the Global South; it is increasingly afflicting developed nations as well. In recent years, the willingness of Western states to engage in global development governance has visibly declined, accompanied by a marked reduction in the provision of international public goods. This retreat stems, in part, from the resurgence of nationalist ideologies driven by populism

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<sup>&</sup>lt;sup>5</sup> The United Nations, "UN Secretary-General Urges Joint Action to Address Growing Hunger," [EB/OL], the United Nations News, July 26, 2021, https://news.un.org/zh/story/2021/07/1088612, (Accessed April 20, 2025).

and protectionism in many advanced economies. <sup>6</sup> Under these conditions, many developed countries have shifted their focus inward, prioritizing national interests and scaling back commitments to multilateral development initiatives. This inward turn has weakened global institutional capacity to address transnational challenges such as poverty, inequality, and climate change.

Moreover, growing skepticism toward globalization and multilateralism has led to increasingly restrictive trade policies, constrained technology transfers, and diminished financial flows for development assistance. <sup>7</sup> A new isolationist consensus is emerging—one that champions stringent border controls, flexible and localized supply chains, technological self-sufficiency, and sanctions against economic competitors regardless of multilateral trade norms. <sup>8</sup> This consensus significantly undermines the capacity and political will of developed countries to provide global public goods, deepening the global governance deficit and rendering the development crisis increasingly difficult to resolve.

The pandemic has also exacerbated structural imbalances, particularly in Global South countries. Financial and international resources were largely diverted toward immediate crisis response, squeezing out investment in long-term development planning and institutional reform. In parallel, the fragility of food, energy, and healthcare systems exposed persistent deficiencies in governance capacity. These issues, far from being resolved as the pandemic wanes, have unveiled the long-standing and systemic nature of the global development deficit.

Crucially, this deficit stems not merely from resource scarcity or weak governance, but from the structural asymmetries embedded in the global development system itself. For decades, control over development resources, technologies, and normative frameworks has been highly concentrated in a small group of Western developed countries. This unequal distribution has led to the dual predicament of developmental marginalization and discursive exclusion.

### 1.2 Global Governance Deficit and the Waning Developmental Commitment of the West

<sup>&</sup>lt;sup>6</sup> Zhicheng Wu and Peidong Liu, "China's Participation in Middle East Security Affairs in the New Era: Ideas and Practical Exploration", *International Studies*, No.4, (2020):21–25.

<sup>&</sup>lt;sup>7</sup> Zhiwei Li, "The Embarrassing 'Prospects' of Foreign Aid from Developed Countries," *People's Daily*, April 27, (2016):21.

<sup>&</sup>lt;sup>8</sup> Edward Alden, "The Dangerous New Anti-Globalization Consensus," [EB/OL], Foreign Policy, May 3, 2022, https://foreignpolicy.com/2022/05/03/anti-globalization-us-trade-economy/, (Accessed April 20, 2025).

The global development deficit is further compounded by a parallel governance deficit, particularly in the West. Populism, protectionism, and a renewed focus on geopolitical rivalry have become defining features of domestic politics in major Western states. The policy orientation of "national interest first" has contributed to a notable decline in both the willingness and capacity of these countries to contribute to the global provision of public goods. Consequently, their engagement in global development governance has markedly diminished.

A de-globalization consensus is taking shape, prioritizing border controls, local supply chains, restricted technology exports, and unilateral sanctions—all of which contravene the principles of multilateral trade and cooperative development. This new isolationist tendency has significantly weakened the confidence of the international community in the traditional development mechanism dominated by developed countries, and further amplified the linkage risk between the global development deficit and the governance deficit.

This growing isolationism has weakened international confidence in traditional development paradigms dominated by the West, and has intensified the interconnected risks between the development and governance deficits.

### 1.3 The Launch and Institutional Design of the GDI

Against this backdrop, Chinese President Xi Jinping proposed the GDI during the general debate of the 76<sup>th</sup> United Nations General Assembly in September 2021. The initiative advocates a new model of global cooperation rooted in shared human values, and promotes development that is people-centered, inclusive, and sustainable. GDI is guided by six foundational principles: development-first, people-oriented, inclusive, innovation-driven, harmonious coexistence between humanity and nature, and action-based implementation.<sup>11</sup>

In December 2021, at the first China-Arab States Summit, Xi Jinping emphasized strengthening the alignment between China's development strategies and those of Arab countries, particularly in areas such as green energy, clean technology, digital economy,

<sup>&</sup>lt;sup>9</sup> Zhicheng Wu and Peidong Liu, "China's Participation in Middle East Security Affairs in the New Era: Ideas and Practical Exploration", *International Studies*, No.4, (2020):21–25.

<sup>&</sup>lt;sup>10</sup> Edward Alden, "The Dangerous New Anti-Globalization Consensus," [EB/OL], *Foreign Policy*, May 3, 2022, https://foreignpolicy.com/2022/05/03/anti-globalization-us-trade-economy/, (Accessed April 20, 2025).

<sup>&</sup>lt;sup>11</sup> Xinhua News Agency, "Full Text of Xi Jinping's Statement at the General Debate of the 76<sup>th</sup> Session of the United Nations General Assembly," [EB/OL], *Xinhua*, September 22, 2021, http://www.xinhuanet.com/world/2021-09/22/c 1127886754.htm, (Accessed April 20, 2025).

and food security. These alignments aim to operationalize the GDI and foster deeper South-South cooperation.<sup>12</sup>

As a public good provided by China, the GDI seeks to transcend the conventional logic of aid-based development by fostering a shift toward more equal, cooperative, and systemic development mechanisms. It also signals China's strategic evolution from a "rule participant" to a "system provider" in global development governance.

# 1.4 Theoretical Rationale: Institutional Embedding and the South-South Cooperation Framework

Contemporary global governance is inherently multi-actor and multi-level. The "multi-actor" dimension highlights the diversification of actors involved in governance, including states, international organizations, and civil society. The "multi-level" structure refers to governance activities occurring across local, national, regional, and global layers, which, rather than being isolated, are interlinked and mutually reinforcing.<sup>13</sup>

Within this complex governance ecosystem, the GDI represents China's effort to institutionalize development cooperation grounded in shared values and global equity. It seeks to promote inclusive development, dismantle monopolies on development discourse and resources, and contribute to the rise of a multipolar global order—especially by advancing the strategic autonomy of the Global South.<sup>14</sup>

The theoretical logic underpinning the GDI aligns closely with the foundational principles of South-South Cooperation (SSC). Originating in the mid-20th century, SSC emphasizes mutual assistance, horizontal partnerships, and non-conditional cooperation among developing countries. Its core values include political equality, voluntary collaboration, development orientation, and mutual benefit.

The GDI builds on and extends the SSC framework in three key ways:

Ideational Convergence: Both GDI and SSC prioritize development as the central agenda, advocate people-centered and inclusive growth, and promote depoliticized, non-hierarchical cooperation based on equality and mutual respect.

<sup>&</sup>lt;sup>12</sup> Xi Jinping, "Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity for the Comprehensive Construction of a Modern Socialist Country": Report to the 20<sup>th</sup> National Congress of the Communist Party of China, *People's Daily*, October 26,(2022):1.

<sup>&</sup>lt;sup>13</sup> Wang Mingguo, "Exploration and Implications of the Complexity of Global Governance Mechanisms", *Social Sciences Abroad*, No.5, (2013):69-70.

<sup>&</sup>lt;sup>14</sup> Xing Wei and Yin Jun, "Theoretical Connotation, Value Norms, and Practical Pathways of the Global Development Initiative", *Special Zone Economy and Theory*, No.4, (2024):57.

Mechanism Complementarity: Through platforms such as the Global Development and South-South Cooperation Fund, the GDI supports capacity building and experience sharing, continuing the SSC tradition of co-construction and benefit-sharing.

Path Extensibility: Unlike traditional aid-centered programs, the GDI focuses on institutional consensus-building within multilateral settings like the UN. It aims to shape a more equitable global development order, effectively serving as an upgraded institutional model of South-South cooperation.

In regions such as the Middle East, the GDI increasingly functions as a platform for advancing China-Arab cooperation. Whether in infrastructure, energy transition, healthcare, education, or digital governance, China offers not only material assistance but also normative frameworks for mutual learning, policy coordination, and governance innovation. Thus, the GDI represents a new phase in South-South cooperation—one that reflects the evolving aspirations of the Global South for diversified, autonomous, and sustainable development.

### 2. Navigating the Development Paradox of Arab Countries in the New Era

As the Fourth Industrial Revolution accelerates and great-power competition intensifies, developing regions—particularly the Arab world—have become increasingly vulnerable to external shocks and internal fragmentation. Against this backdrop, Arab countries face a persistent "double deficit" of security and development, compounded by structural economic inertia, demographic pressures, and fragile governance. These challenges not only hinder domestic transformation but also position the region as a critical yet fragile node within the global development architecture. The question posed by President Xi Jinping in 2016—"Where is the Middle East headed?"—remains profoundly relevant, highlighting the urgent need for a sustainable, inclusive, and resilient development model adapted to the region's evolving realities.

### 2.1 A Single Economic Structure and Lack of Growth Momentum

Historically, the economic trajectory of the Middle East has been shaped by external forces. From the early expansion of European trade and merchant capitalism to the transformative impact of the Industrial Revolution and global capitalism, the region became increasingly integrated into the Western-Centric economic order,

deepening its structural dependence on the West.<sup>15</sup> In the 20th century, the region's semi-colonial status and the disruption of two World Wars further weakened its capacity for autonomous development, laying the foundation for enduring structural vulnerabilities. Following the establishment of nation-states, efforts to fundamentally restructure the economy remained elusive. A series of large-scale wars depleted resources, diverted capital to military spending, and delayed critical reforms.<sup>16</sup>

Externally imposed economic reforms—often conditioned on political concessions—deepened reliance on foreign aid and financing. Although globalization brought capital and technology inflows, it also heightened vulnerability to external shocks. <sup>17</sup> Consequently, many Middle Eastern economies remain marginalized in the global economic system, lacking the resilience to chart independent and sustainable growth paths.

In the late 1980s, some countries initiated economic liberalization to stimulate growth and respond to globalization.<sup>18</sup> However, liberalization produced mixed results. While it enhanced market openness and technological adoption, it also exacerbated structural imbalances, widened income disparities, and deepened policy dependency. The region's limited ability to absorb external shocks further exposed the vulnerabilities of globalization, which, for many Arab states, generated more costs than benefits.

The "Arab Spring" and subsequent unrest further destabilized the foundations of liberal economic models. Re-industrialization has proceeded slowly, and comprehensive restructuring remains elusive. Though oil-rich countries such as Saudi Arabia have pursued diversification, and states like Egypt have increased state-led investment, these strategies remain in preliminary stages. Clear trajectories for structural transformation have yet to materialize.

The uprisings were not isolated incidents, but manifestations of accumulated political, economic, and social contradictions in transition-era Arab societies—compounded by external interference.<sup>19</sup> The COVID-19 pandemic further exacerbated

<sup>&</sup>lt;sup>15</sup> Jiang Yingmei, "Ten Years of Turmoil in the Middle East: Economic Transformation Dilemmas and Development Opportunities," *Middle East Studies*, No.2, (2021):153.

<sup>&</sup>lt;sup>16</sup> Jiang Yingmei, "Ten Years of Turmoil in the Middle East: Economic Transformation Dilemmas and Development Opportunities," *Middle East Studies*, No.2, (2021):152-153.

<sup>&</sup>lt;sup>17</sup> Giacomo Luciani, *The Arab State* ,London: Routledge, (1990):72-74.

<sup>&</sup>lt;sup>18</sup> Jiang Yingmei, The Economic Status of the Middle East in the Global Economic System, *Middle East Studies*, No.1, (2020):173.

<sup>&</sup>lt;sup>19</sup> Wang Lincong, "Causes and Impacts of Political Turmoil in the Middle East," in *Middle East Development Report* (2010–2011), Edited by Yang Guang, Beijing:Social Sciences Academic Press, (2011):9.

economic stagnation, revealing long-standing structural weaknesses: over-dependence on a single resource, insufficient industrial diversification, imbalanced labor markets, and fragile fiscal systems.

As one of the world's primary oil-exporting regions, the Middle East has long relied on hydrocarbon revenues. This overreliance has generated a pronounced "resource curse," characterized by underdeveloped non-oil sectors and limited diversification. <sup>20</sup> During the Cold War, the Organization of Petroleum Exporting Countries (OPEC) enabled regional states to extract significant profits and exert influence over global energy markets. This "oil power" shaped strategic relationships with developed economies and encouraged sustained Western involvement in the region. <sup>21</sup>

However, since the beginning of the 21<sup>st</sup> century, this dynamic has undergone a fundamental shift. Western countries, particularly the United States, have significantly expanded their domestic energy production through the advent of the "shale oil revolution", thereby gradually reducing their dependence on Middle Eastern oil. The increase in U.S. energy self-sufficiency has led to a sustained decline in its energy demand from the Middle East. Since 2003, U.S. crude oil imports from Saudi Arabia have shown a general downward trend, despite intermittent rebounds (see **Figure 1**). Nevertheless, with continued advances in shale extraction technologies, it is unlikely that the United States will return to previous levels of dependence on Middle Eastern energy.<sup>22</sup>

Technological advances in shale extraction and the surge in U.S. energy exports are reshaping global energy flows and diminishing the strategic leverage previously enjoyed by Middle Eastern producers.

<sup>&</sup>lt;sup>20</sup> Tian Wenlin, "The 'Resource Curse': On the Negative Impact of Oil on the Middle East," *Arab World Studies*, No.6, (2019):76.

<sup>&</sup>lt;sup>21</sup> Zan Tao, From Baghdad to Istanbul: The Great Transformation of the Middle East in Historical Perspective, Beijing:CITIC Publishing Group, (2022):468–470.

<sup>&</sup>lt;sup>22</sup> Bao Chengzhang, "Motivations, Goals and Significance of Arab States' 'Look East' Diplomacy," *Arab World Studies*, No.6, (2019):91.

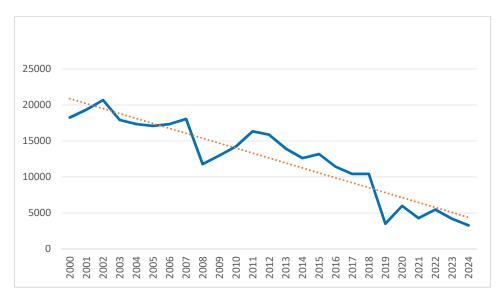


Figure 1: U.S. Imports from Saudi Arabia of Crude from 2000 to 2024 (unit: 1,000 barrels)

**Source**: "U.S. Imports from Saudi Arabia of Crude", [EB/OL], U.S. Energy Information Administration (EIA),https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?.n=PET&s=MCRI MUSSA2&f=M.(Accessed April 21, 2025).

Since 2015, international oil prices have undergone considerable volatility, marked by a steep and sustained decline. The situation deteriorated further in 2020, when the combined impact of the COVID-19 pandemic and an oil price war triggered a dramatic collapse in global oil markets. This downturn dealt a severe blow to Middle Eastern economies, which remain heavily dependent on energy exports. The dual shocks of low oil prices and the pandemic revealed the acute vulnerability of the region's export-oriented and undiversified economic structures. Notably, the prolonged depression of oil prices poses a more enduring threat to economic stability than the pandemic itself. According to the International Monetary Fund (IMF), in 2020, oil-exporting economies in the region contracted by 6.6%, while oil-importing countries experienced a comparatively milder decline of 1%.<sup>23</sup>

The prolonged period of depressed oil prices has placed immense pressure on the fiscal systems of Middle Eastern countries, simultaneously exposing the structural weaknesses of their hydrocarbon-dependent economies and the fragility of their

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<sup>&</sup>lt;sup>23</sup> IMF, Regional Economic Outlook: Middle East and Central Asia, [EB/OL], Octobe 2020,71, https://www.imf.rorg/en/Publications/REO/MECA/Issues/2020/10/14/regional-economic-outlook-menapec-a, (Accessed April 22, 2025).

development models. With persistently low energy prices and weakening global demand, regional economic growth has remained sluggish. Between 2011 and 2020, the Middle East registered an average annual growth rate of just 2.2%—a sharp decline from the 5.4% average recorded in the early 2000s.<sup>24</sup>

This marked slowdown underscores the region's over-reliance on oil revenues and highlights the urgent need for comprehensive structural transformation. Enhancing economic diversification and resilience is essential to achieving sustainable and inclusive development in the long term.

### 2.2 The problem of Population Pressure and Unemployment

The Middle East faces two interrelated demographic challenges: rapid population growth and a burgeoning youth population. These dynamics have long constrained socio-economic development and contributed significantly to political volatility in the region. <sup>25</sup> Since the 1970s, the region has experienced sustained demographic expansion. The average annual population growth rate across 22 West Asian and North African countries peaked at 4.52% during 1970–1980, gradually declining to 3.55% in the 1980s, 2.6% in the 1990s, and stabilizing at 2.62% in the 2000s—still significantly above the global average.<sup>26</sup>

By 2010, the region's population had reached approximately 371 million—four to six times its 1950 level—and is projected to reach 630 million by 2050, with several countries such as Egypt and Iran expected to surpass 100 million inhabitants.<sup>27</sup>

This demographic surge has placed severe pressure on employment generation, public service delivery, and economic planning. Youth unemployment remains particularly acute. According to World Bank data, youth unemployment in the Middle East reached 27.7% in 2021—well above rates in Latin America (17.7%), South Asia (20.1%), and Sub-Saharan Africa (11.6%).<sup>28</sup>

International Monetary Fund, World Economic Outlook, [EB/OL], October, (2020):167–168, https://www.imf. org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020, (Accessed April 22, 2025).
 Zhou Yimin, "An Analysis of Population Issues in the Middle East and Their Impact," International Outlook, No.5,

<sup>(2013):115.

&</sup>lt;sup>26</sup> United Nations Development Programme, *Arab Development Challenges Report 2011: Towards the Developmental State in the Arab Region*, Cairo:UNDP Regional Center for Arab States, (2011):136.

<sup>&</sup>lt;sup>27</sup> The World Bank, "The World's Population Will Continue to Grow and Will Reach Nearly 10 Billion by 2050," [EB/OL], https://blogs.worldbank.org/zh/opendata/worlds-population-will-continue-grow-and-will-reach-nearly-10-billion-2050, (Accessed April 23,2025).

<sup>&</sup>lt;sup>28</sup> Johannes G. Hoogeveen and Gladys Lopez-Acevedo, *Distributional Impacts of COVID-19 in the Middle East and North Africa Region*, Washington, D.C.: World Bank, (2021):34.

Persistent youth unemployment, when coupled with rapid population growth, poses long-term challenges to national governance, social cohesion, and resource distribution. Constrained by undiversified economic structures, limited private sector development, and short industrial chains, many Middle Eastern economies struggle to create sufficient quality employment. The result is a scarcity of decent jobs, declining public sector absorption capacity, and a rising mismatch between educational outcomes and labor market demands.<sup>29</sup>

University graduates often face underemployment, while low-skilled workers face increasing competition from foreign labor and labor-saving technologies. According to the International Labour Organization, Arab countries recorded the world's highest youth unemployment rate in 2022 at 24.8%, with female youth unemployment reaching a staggering 42.5%—nearly triple the global average.<sup>30</sup>

High unemployment has become a structural barrier to economic development in the region. Economic growth has consistently failed to translate into adequate job creation, resulting in some of the highest unemployment rates and lowest labor force participation rates globally.<sup>31</sup> A substantial share of the workforce remains engaged in informal employment, lacking social protection and facing heightened economic vulnerability. This employment dilemma underscores the urgency of labor market reform as a prerequisite for sustainable development.

Moreover, the mismatch between population structure and employment opportunities not only constrains economic potential but also fuels political discontent—particularly among urban, educated youth. As Chen Xiaoqian notes, the failure to manage demographic pressures has become a systemic governance issue in many Arab states.<sup>32</sup> Echoing Huntington's observation that "the vagrant proletariat and young students are the most revolutionary groups,"<sup>33</sup> Many of the participants in the

<sup>&</sup>lt;sup>29</sup> Lu Yiwei, "A Review of Saudi Arabia's Economic Reforms under Salman's Rule," *Arab World Studies*, No.4 (2020):92.

<sup>&</sup>lt;sup>30</sup> International Labour Organization, "UN: Global Youth Unemployment Rate to Reach 13.1%, Arab States Face the Most Severe Situation," *United Nations News (Chinese version)*, [EB/OL], August 11, 2022, https://news.un. org/zh/story/ 2022/08/1107652, (Accessed April 24, 2025).

<sup>&</sup>lt;sup>31</sup> Jiang Yingmei, "Ten Years of Turmoil in the Middle East: Economic Transformation Dilemmas and Development Opportunities," *Middle East Studies*, No.2, (2021):151.

<sup>&</sup>lt;sup>32</sup> Chen Xiaoqian, "The Political and Economic Manifestations of Dysfunctional Population Governance in Arab Countries of the Middle East," *World Ethno-National Studies*, No.4, (2018): 92.

<sup>&</sup>lt;sup>33</sup> Samuel P. Huntington, *Political Order in Changing Societies*, Translator by Wang Guanhua et al., Shanghai: Shanghai People's Publishing House, (2008):254.

Arab Spring were young, educated, and unemployed—embodying the social frustration bred by economic stagnation.

In response, several Middle Eastern governments have introduced reforms in education, skills training, entrepreneurship, and private sector development. However, progress has been limited due to institutional inertia, inefficient resource allocation, and fiscal constraints. Without effective mechanisms to absorb the growing youth labor force, the region risks squandering a potential demographic dividend, turning it instead into a demographic burden—with serious consequences for political legitimacy and national stability.

# 2.3 Frequent Food Crises: A Structural Bottleneck in Middle Eastern Development

Food security has long represented a structural vulnerability in the Middle East, driven by limited agricultural capacity, rapid population growth, and a high dependency on food imports—well above the global average.<sup>34</sup> In recent years, compounding global shocks—such as the Russia–Ukraine conflict, the COVID-19 pandemic, climate change, and global supply chain disruptions—have further destabilized the region's fragile food system, elevating food insecurity into a central constraint on regional stability and sustainable development.

Historically, underdeveloped agriculture and demographic pressures have rendered the region a net food importer, leaving it highly vulnerable to international price fluctuations and external supply shocks. Since 2020, the convergence of a desert locust plague and the pandemic severely disrupted global grain supply chains. In response, several major exporting countries implemented export restrictions, amplifying concerns in the Middle East over food availability. Lebanon—where over half of food is imported—suffered acute shortages due to disrupted trade and currency devaluation, sparking food riots during the pandemic.

Egypt illustrates the region's broader vulnerabilities. As the world's largest wheat importer, it has relied on Russia and Ukraine for over 70% of its wheat imports.<sup>36</sup> The outbreak of the Russia–Ukraine war in February 2022 disrupted exports via Black Sea ports. Although Russia continued exporting, Western sanctions significantly raised

Jiang Yingmei, "Ten Years of Turmoil in the Middle East: Economic Transformation Dilemmas and Development Opportunities," *Middle East Studies*, No.2, (2021):154.
 Ibid., P.154.

<sup>&</sup>lt;sup>36</sup> Zhang Shuai, "Egypt's Food Security: Dilemmas and Causes," West Asia and Africa, No.3, (2018):121.

transport and insurance costs while complicating payment channels, driving up global wheat prices. Over the preceding five years, roughly 80% of Egypt's wheat imports came from these two countries. Replacing this supply proved highly difficult. According to Egypt's Minister of Finance, the import cost of wheat surged from USD 130 to USD 504 per ton.<sup>37</sup>

To maintain domestic stability, the Egyptian government now bears three major burdens: skyrocketing import costs, rising expenses for storage and preservation, and the continued subsidy of bread. Collectively, these pressures have strained the country's fiscal capacity and revealed the deep fragility of its food security system.

Food crises have become a recurring bottleneck for Middle Eastern development. Environmental constraints—including arid climates, chronic droughts, and poor soil quality—severely limit agricultural productivity. These conditions are compounded by rapid population growth and accelerating urbanization, which have driven up food demand. Yet most countries in the region lack sufficient agricultural infrastructure and grain storage capacity, rendering their supply chains highly vulnerable. Even minor global supply shocks can result in sharp domestic price spikes, localized shortages, and, in extreme cases, outright disruptions.

Furthermore, chronic political instability, armed conflicts, and persistent refugee flows have exacerbated the effects of food insecurity. In conflict-affected countries such as Syria, Yemen, and Iraq, prolonged warfare has destroyed agricultural production, damaged logistics infrastructure, and plunged millions into hunger and malnutrition. These dynamics have deepened poverty, intensified humanitarian crises, and fueled sustained social unrest. As Lester R. Brown observed, while agriculture may constitute a modest share of GDP, its disruption can trigger far-reaching economic and social instability.<sup>38</sup>

Compounding the crisis is the Middle East's structural over-dependence on imported food. This long-standing reliance has not been meaningfully addressed, and the region continues to lack diversified import sources and robust strategic food reserves. As a result, countries in the Middle East remain acutely sensitive to global

<sup>&</sup>lt;sup>37</sup> CCTV News, "Will Egypt Suffer a Wheat Crisis as the Russia-Ukraine Conflict Continues?" [EB/OL], CCTV.com, https://content-static.cctvnews.cctv.com/snow-

book/index.html?item\_id=3498772352956050388,(Acc-essed April 25, 2025).

<sup>&</sup>lt;sup>38</sup> Lester R. Brown, Who Will Feed China? New York: W.W. Norton & Company, (1995):70.

price volatility and geopolitical tensions, making food security not only a development challenge but also a strategic imperative.

# 3. The Significance of the GDI to the Development of Middle Eastern Countries

Amid persistent structural challenges—ranging from economic stagnation and youth unemployment to food insecurity—the GDI, proposed by Chinese President Xi Jinping in 2021, offers Middle Eastern countries a timely and strategic framework for revitalizing national development. Positioned as a response to the setbacks of the UN 2030 Agenda and the global impact of COVID-19, the GDI has gained recognition across the region as a credible platform for advancing inclusive, resilient, and sustainable growth.

### 3.1 GDI: A Strategic Response to the "Question of the Middle East"

President Xi Jinping has noted that "the key to resolving complex problems lies in accelerating development. The turmoil in the Middle East stems from a lack of development, and the ultimate solution also depends on development." Within the framework of the GDI, China and Arab states are well-positioned to leverage complementary advantages: China's strengths in technology and infrastructure; the Gulf monarchies' abundant financial resources; and republican Arab states' growing market potential. This trilateral synergy lays the groundwork for mutually beneficial, interdependent development models. As China's primary energy suppliers, Arab countries account for roughly 40% of its crude oil imports. In 2020, five of China's top eight oil suppliers—Saudi Arabia, Iraq, Oman, the UAE, and Kuwait—were Arab states.<sup>39</sup>

Beyond energy, China-Arab economic ties have expanded significantly. In 2021, bilateral trade reached USD 330 billion—a 37% increase despite global economic headwinds.<sup>40</sup> This growing interdependence provides a strong foundation for aligning the GDI with national and regional development strategies, enhancing stability through growth, and advancing shared objectives.

<sup>&</sup>lt;sup>39</sup> Liu Yelin. "China Imported 542.386 Million Tons of Crude Oil in 2020 as Prices Rebounded." [EB/OL], *People's Daily*, http://m.people.cn/n4/2021/0127/c4051-14711145.html,[EB/OL],January 27,2021,(Accessed April 26, 2025),

<sup>&</sup>lt;sup>40</sup> Ministry of Foreign Affairs of the People's Republic of China, "China Highly Appreciates the Arab League's Consistent Support for Strengthening Relations with China." [EB/OL], *People's Daily*, March10,2022, http://m.peo-ple.cn/n4/2022/0909/c23-20264272.html, (Accessed April 26, 2025).

China and Arab countries have emerged as key partners in promoting the BRI and natural collaborators in implementing the GDI. In January 2022, foreign ministers from Saudi Arabia, Bahrain, Kuwait, and Oman—alongside the Secretary-General of the Gulf Cooperation Council—visited China, while the UAE's foreign minister held a phone consultation with State Councilor Wang Yi. This marked a strategic shift in Arab diplomacy from passive "looking East" to active "moving East."

In February 2022, President Xi held high-level discussions with leaders from Egypt, the UAE, and other Arab states to explore coordinated development planning. Shortly thereafter, on March 9, the 157th session of the Arab League Council of Foreign Ministers adopted a resolution recognizing China's constructive role in supporting Arab interests and promoting regional peace.

This momentum culminated in the first China-Arab States Summit, held in Riyadh in December 2022, attended by President Xi, leaders from 21 Arab League member states, and the Secretary-General of the League. The summit's timing reflects broader global shifts toward multipolarity and highlights growing demand for China-Arab cooperation in sustainable development, regional stability, and multilateral governance.

Against the backdrop of historic global transformation, the China-Arab States Summit marks a pivotal step in strengthening bilateral ties. As the international balance of power undergoes profound adjustments, both China and the Arab world—rooted in non-Western civilizational traditions—face new opportunities and challenges. While Arab states confront persistent internal divisions and regional hot-spots, many increasingly look to China for development-oriented solutions.

In the post-pandemic era, revitalizing cooperation is imperative. At the summit, President Xi proposed the "Eight Joint Actions" to advance pragmatic China-Arab collaboration. Regional actors—including the Arab League and the Gulf Cooperation Council—have widely endorsed China's Global Development and Global Security Initiatives, viewing them as timely and relevant frameworks for addressing regional needs.<sup>42</sup> The GDI thus offers a robust institutional framework for aligning China's development strategies with the aspirations of Arab states. It holds significant potential

<sup>&</sup>lt;sup>41</sup> Degang Sun, "China's 'Middle East Week' Diplomacy Has Far-Reaching Impact,[EB/OL]," *Global Times*, https://opinion.huanqiu.com/article/46QrGbdeyQ7, (Accessed April 27, 2025).

<sup>&</sup>lt;sup>42</sup> Niu Song, "The China-Arab States Summit: A Timely Event that Meets Regional Expectations, [EB/OL]," *Dazhong Daily*, December 11, (2022):4, Available at:https://mideast.shisu.edu.cn/\_upload/article/files/4d/8b/a66 30d774bb08-b0e0e747a904f7f/bf8d9016-cec9-4948-8fa0-77cd071bdd1a.pdf.(Accessed April 27, 2025).

for addressing the "Middle East question" and accelerating progress toward effective regional governance. 43

# 3.2 The GDI as a Driver of High-Quality and Efficient China-Arab Development Cooperation

The GDI reflects China's effort to strike a more effective balance between development cooperation and market engagement. Notably, China contributed to 76% of global poverty reduction during the implementation of the Millennium Development Goals and achieved the poverty alleviation targets outlined in the UN 2030 Agenda a decade ahead of schedule. While advancing its own development, China has remained committed to international development efforts, jointly formulating long-term cooperation frameworks with its global partners. <sup>44</sup> President Xi Jinping's first official visit to the Middle East in January 2016, shortly after taking office, began in Saudi Arabia—a symbolic move that underscored the strategic importance of China-Arab relations. On this occasion, China issued its first Arab Policy Paper, which outlined a comprehensive roadmap for bilateral cooperation in five key areas: politics, economy and trade, social development, people-to-people exchanges, and peace and security. <sup>45</sup>

Further solidifying this momentum, President Xi returned to Saudi Arabia in December 2022 following the 20th National Congress of the Communist Party of China. During this visit, the Ministry of Foreign Affairs released the Report on China-Arab Cooperation in the New Era, which reviewed the long-standing ties between China and the Arab world. The report emphasized three key dimensions: the evolution of bilateral relations in the new era, the continued vitality of cooperation amid global transformation, and the shared vision of building a China-Arab community with a shared future. It also offered a systematic explanation of the guiding principles and strategic logic underpinning China's Arab policy.

<sup>&</sup>lt;sup>43</sup> Niu Song, "The China-Arab States Summit: A Timely Event that Meets Regional Expectations," [EB/OL], *Dazhong Daily*, December 11, (2022):4, Available at:https://mideast.shisu.edu.cn/\_upload/article/files/4d/8b/a663 0d774bb08-b0e0e747a904f7f/bf8d9016-cec9-4948-8fa0-77cd071bdd1a.pdf.(Accessed April 28, 2025).

<sup>&</sup>lt;sup>44</sup> Zhang Chun, "The Global Development Initiative and the Construction of the China-Africa Development Community," *Contemporary World*, No.8, (2022):37.

<sup>&</sup>lt;sup>45</sup> Chinese Academy of International Trade and Economic Cooperation, *Review and Outlook on China-Arab Economic and Trade Cooperation*,(2022):6, Available at: http://data.mofcom.gov.cn/report/%E4%B8%AD%E5% 9B%BD%E4%B8%8E%E9%98%BF%E6%8B%89%E4%BC%AF%E5%9B%BD%E5%AE%B6%E7%BB%8F%E8%B4%B8%E5%90%88%E4%BD%9C%E5%9B%9E%E9%A1%BE%E4%B8%8E%E5%B1%95%E6%9C %9B2022.pdf.(Accessed April 28, 2025).

Through initiatives like the GDI, China seeks to elevate development cooperation with Arab countries to a new level—one that is more institutionalized, inclusive, and responsive to regional priorities. The deepening of high-level exchanges, the articulation of policy roadmaps, and the institutional anchoring of shared development goals all point to a shift from ad hoc engagement toward a more structured and long-term development partnership.

### 3.3 The GDI as a Catalyst for Equitable and Sustainable Global Partnerships

The concept of a "global partnership for development" was first articulated in the 1969 Partners in Development report by the Pearson Commission, which called for a new form of cooperation grounded in mutual understanding and clearly defined responsibilities between donors and recipients. <sup>46</sup> Building on this legacy, the GDI advocates a renewed model of international partnership—one that emphasizes equity, inclusiveness, and balance.

At its core, the GDI promotes North–South cooperation as the primary channel of global development, with South–South cooperation serving as a vital complement. China's Position Paper on the Post-2015 Development Agenda affirms the central role of development financing and calls on developed countries to fulfill their official development assistance (ODA) commitments, particularly in support of African and least-developed nations. Simultaneously, it encourages developing countries to deepen South–South cooperation, strengthen solidarity, and pursue shared development goals.<sup>47</sup>

China's approach to global partnerships has been recognized by multilateral institutions. The UN High-Level Panel on the Post-2015 Agenda acknowledged the importance of China's development philosophy, while the establishment of entities such as the United Nations Office for Partnerships and the UN Fund for Partnerships reflects alignment with China's vision of "dialogue without confrontation, partnership without alliance"—a hallmark of its major-country diplomacy. Geo-politically, the Arab world occupies a strategic crossroads among Chinese, Indian, Slavic, Christian, and African civilizations, linking Europe, Asia, and Africa as well as the Atlantic and Indian Oceans. It thus plays a critical role in bridging the development divide between the Global North

<sup>&</sup>lt;sup>46</sup> Commission of International Development. Partners in Development. New York: Praeger Publishers, 1969.

<sup>&</sup>lt;sup>47</sup> Ministry of Foreign Affairs of the People's Republic of China. *China's Position Paper on the Post-2015 Develo- pment Agenda*, [EB/OL], https://www.fmprc.gov.cn/web/zyxw/201309/t20130922\_324593.shtml, (Accessed April 28, 2025).

and South. Yet despite this strategic positioning, the region continues to face pronounced development deficits. According to the Global Multidimensional Poverty Index 2021, poverty remains severe in countries such as Sudan, Mauritania, and Yemen. Educational attainment across the Arab world also trails behind all other global regions, including South Asia and sub-Saharan Africa.<sup>48</sup>

External shocks have further complicated the region's development outlook. The IMF has warned that the combined effects of the COVID-19 pandemic, the Ukraine crisis, and broader geopolitical tensions are driving prolonged economic stagnation and rising inflation, with the global inflation rate projected to reach 6.5% in 2023.<sup>49</sup>

In this context, China—rather than seeking geopolitical dominance or cultivating regional proxies—has prioritized development as the core of its engagement with the Middle East. Leveraging its economic scale and growth momentum, China aims to support the region's post-crisis recovery and long-term modernization. In 2014, the Arab League became the first regional organization to sign a memorandum of understanding on Belt and Road cooperation with China. By 2019, 18 Arab countries had joined the initiative.<sup>50</sup>

On this foundation, the GDI further elevates China-Arab relations by placing development at the heart of bilateral cooperation. Framed within the vision of a China-Arab community with a shared future, the GDI provides both a normative and practical pathway for advancing equitable, inclusive, and sustainable partnerships across the Global South.

### 3.4 The GDI as a Catalyst for a New Path of Modernization in the Middle East

When proposing the GDI, President Xi Jinping also advocated for the construction of a Global Development Community with a Shared Future. Common development constitutes the core value of a community with a shared future for mankind, and the establishment of a global development community represents the practical application of this concept in the field of international development.<sup>51</sup>

<sup>&</sup>lt;sup>48</sup> Oxford Poverty & Human Development Initiative and United Nations Development Programme. *Global Multidimensional Poverty Index 2021: Unmasking Disparities by Ethnicity*, Caste and Gender, UNDP, (2021):17.

<sup>&</sup>lt;sup>49</sup> International Monetary Fund, *World Economic Outlook: Report for Selected Countries and Subjects*, [EB/OL], October, 2022, https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022, (Accessed April 28, 2025).

<sup>&</sup>lt;sup>50</sup> "Eighteen Arab Countries Sign Belt and Road Cooperation Documents with China," *People's Daily Overseas Edition*, July 13, 2019.

<sup>&</sup>lt;sup>51</sup> Zhang Donggang and Lin Shangli, "Theoretical Value and Practical Significance of Building a Global Develop

The vision of such a community upholds the rational allocation of resources on a global scale, aiming to help developing economies avoid falling into the "resource curse" trap. To build this community, global, regional, and bilateral actors must pursue the greatest common denominator of interests in the spirit of shared destiny. This implies that while pursuing their own national development goals, countries should also respect and address the legitimate interests and concerns of others, thereby advancing inclusive and cooperative development.<sup>52</sup>

In the course of their modernization efforts, Arab countries have experimented with various Western development models, including globalization theory, import substitution, and neo-liberal economic strategies. However, the outcomes have been largely unsatisfactory. Drawing lessons from these experiences, most Arab states now emphasize innovation-driven, development-first, and sustainability-oriented approaches, accelerating economic transformation and social coordination in line with their respective national conditions. Drawing from over four decades of reform and opening-up, China has prioritized economic development as the foundation for its modernization, thereby demonstrating the global relevance of its development philosophy with Chinese characteristics. His context, the GDI offers a valuable opportunity for Middle Eastern countries to explore new and diversified paths toward modernization.

Despite significant differences in political systems and resource endowments among Arab countries, there is broad consensus on the need to pursue modernization. Many countries in the region are actively seeking to transition from fossil fuel-based economies to industrialized and innovation-driven economies, striving to overcome their dependence on oil and to develop renewable and clean energy sectors. The implementation of the GDI in the Middle East is expected to facilitate three interrelated modernization pathways: a path of shared development through alignment of national strategies; a path of transformative development by leveraging high-tech cooperation;

<sup>-</sup>ment Community," [EB/OL], Economic Daily, October 18, 2024.http://paper.ce.cn/pc/content/202410/18/content\_302856.html, (Accessed April 29, 2025).

<sup>&</sup>lt;sup>52</sup> State Council Information Office of the PRC, Jointly Building a Community with a Shared Future for Mankind: China's Proposals and Actions,[EB/OL],*People's Daily*, September 27, 2023.http://paper.people.com.cn/rmrb/html/2023-09/27/nw.D110000renmrb 20230927\_1-06.htm, (Accessed April 29, 2025).

<sup>&</sup>lt;sup>53</sup> Sun Degang and Zhang Jieying, "China-Arab Implementation of the Global Development Initiative: Theory and Practice," *Peace and Development*, No. 5, (2022):94.

<sup>54</sup> Ibid,(2022):94.

<sup>55</sup> Ibid, (2022):93-94.

and a path of green development through support for low-carbon, sustainable growth. These paths collectively reflect the region's growing commitment to inclusive, innovation-led, and environmentally responsible development.

# 4. Synergy Between the GDI and the Development Strategies of Middle Eastern Countries: The Cases of Saudi Arabia and Egypt

The launch of the GDI coincided with a critical juncture in Middle Eastern development, as the region faced compounded challenges of protracted instability, economic underperformance, and the enduring effects of external intervention. In this context, the GDI offers an alternative paradigm rooted in inclusive, sustainable, and people-centered growth—principles that resonate strongly with the region's urgent need for structural transformation. Increasingly, Middle Eastern countries are aligning their national strategies with the GDI framework, viewing it as a means to advance domestic reform, promote regional stability, and engage more actively in multilateral development governance. Among them, Saudi Arabia and Egypt stand out as pivotal cases where GDI principles and national visions intersect in meaningful and strategic ways.

### 4.1 Achieving Synergy between the GDI and the BRI

As two globally significant development initiatives, the GDI and the Belt and Road Initiative (BRI), though introduced at different times, exhibit a high degree of alignment in their conceptual foundations, development visions, and strategic objectives. The GDI places particular emphasis on advancing social welfare and establishing inclusive mechanisms for global development cooperation, thereby complementing the BRI's focus on infrastructure development and connectivity. The synergistic implementation of both initiatives holds significant potential for facilitating systemic and structural development transformations in Middle Eastern countries.

The BRI, launched in the aftermath of the 2008 global financial crisis, sought to revitalize sluggish global growth by promoting infrastructure investment, trade connectivity, and policy coordination. It provided renewed impetus for international development cooperation under the vision of building a community with a shared future for mankind.<sup>56</sup>

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<sup>&</sup>lt;sup>56</sup> Zhang Chun. "Constructing a High-Quality Development Vision for the Belt and Road Initiative." *International Outlook*, No.4, (2020):119.

By contrast, the GDI, proposed by President Xi Jinping at the 76th UN General Assembly in 2021, emerged in response to the deepening global development crisis exacerbated by the COVID-19 pandemic and the widening North–South gap. It recenters development as a global priority, reaffirms commitment to the UN 2030 Agenda, and seeks to reinvigorate multilateralism through more equitable and inclusive mechanisms.<sup>57</sup>

While the BRI emphasizes "hard connectivity" through infrastructure, the GDI introduces a complementary focus on "soft connectivity," strengthening social welfare, institutional capacity, and governance frameworks. In doing so, the GDI broadens the developmental agenda beyond economic growth to include public health, education, environmental sustainability, and digital cooperation. Together, the two initiatives form a coordinated dual-track approach to global development, addressing both structural and systemic challenges.

In the Middle East, particularly in Saudi Arabia and Egypt, the synergy between the BRI and GDI has translated into substantial on-the-ground cooperation. Saudi Arabia's Vision 2030 prioritizes economic diversification and green transformation, while Egypt emphasizes infrastructure modernization and human capital development. These priorities align closely with China's developmental model, which combines state-led planning with pragmatic, results-oriented policy implementation.

Through multilateral platforms such as the China–Arab States Cooperation Forum, both countries have engaged in joint planning and policy alignment. The 2014 "1+2+3" cooperation framework—centered on energy cooperation, infrastructure and trade facilitation, and collaboration in high-tech sectors—laid the foundation for comprehensive China–Arab cooperation under the BRI.<sup>58</sup> As of early 2022, 20 Arab countries had signed BRI cooperation agreements, producing concrete outcomes in key sectors such as energy, transportation, finance, and advanced technology.

Building on this foundation, the GDI provides new institutional tools and normative frameworks to deepen cooperation. It supports policy integration, facilitates the coordinated allocation of regional resources, and enhances the spillover of public

<sup>&</sup>lt;sup>57</sup> "The Group of Friends of the Global Development Initiative Officially Launched at the UN Headquarters in New York," [EB/OL], *People's Daily Online*, January 21,2022.http://world.people.com.cn/n1/2022/0121/c1002 - 32336484 html. (Accessed May 1, 2025).

<sup>&</sup>lt;sup>58</sup> Ding Jun and Zhu Lin, "Mechanisms, Achievements, and Significance of China-Arab Cooperation in the New Era," *Arab World Studies*, No.3, (2022):26–27.

goods such as knowledge, standards, and best practices. By promoting inclusive discourse on development rights and equity, the GDI also extends China's normative influence and soft power within global institutional competition.

In sum, the GDI and BRI operate in tandem—one reinforcing infrastructure-led economic integration, the other deepening the social and institutional dimensions of development. Their synergy offers a comprehensive and adaptive framework to support the structural transformation of developing countries, particularly in regions like the Middle East where both physical connectivity and institutional resilience are urgently needed.

# 4.2 Establishing a Comprehensive, Multi-Level, and Multi-Dimensional Framework for China-Arab Cooperation

On December 7, 2022, the first China–Arab States Summit was successfully held in Riyadh, the capital of Saudi Arabia, providing new momentum and strategic direction for aligning the GDI with the development agendas of Middle Eastern countries. At the summit, the scope of cooperation between China and Arab states was significantly expanded to cover a wide range of sectors, including new energy, nuclear energy, aerospace, lunar exploration, artificial intelligence, the digital economy, and 5G communications. In parallel, cultural and people-to-people exchanges are expected to deepen through sub-national cooperation between Chinese provinces and Arab localities.<sup>59</sup>As one of the "Five Connectivity" goals under the BRI, people-to-people connectivity plays a crucial role in ensuring that bilateral cooperation is both deeprooted and sustainable.

Launched in 2004, the China–Arab States Cooperation Forum (CASCF) marked the beginning of institutionalized, comprehensive cooperation between China and the Arab world. Comprising China and the 22 member states of the League of Arab States, the Forum aims to strengthen dialogue and collaboration while promoting peace and development. Over the course of 18 years, the CASCF has developed into a robust framework comprising 17 cooperation mechanisms, including ministerial meetings and senior officials' consultations. Today, the Forum functions as a key engine for

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<sup>&</sup>lt;sup>59</sup> Experts Discuss the Milestone Significance of the China–Arab Summit: Deepening Cross-Regional Cooperation for a Better Future, [EB/OL], *Southern Metropolis Daily*, December 9, 2022, https://m.mp.oeeee.com/a/BAAFRD 00002022-1209747620.html, (Accessed May 1, 2025).

deepening China-Arab relations and is widely recognized as a successful model of cross-regional cooperation.<sup>60</sup>

In June 2014, during the opening ceremony of the Sixth Ministerial Conference of the CASCF, China officially proposed the joint construction of the BRI with Arab countries. At the core of this cooperation is the "1+2+3" framework: energy cooperation as the central pillar; infrastructure development and trade/investment facilitation as dual wings; and nuclear energy, space satellites, and new energy as focal points for breakthroughs in high-tech collaboration (see Figure 2).<sup>61</sup>

This cooperation model reflects a comprehensive, multi-layered, and strategically diversified approach to advancing mutual interests and fostering long-term partnership between China and the Arab world.

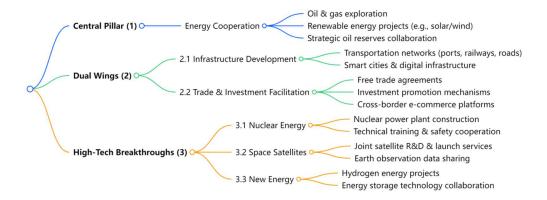


Figure 2: "1+2+3" Cooperation Framework Diagram for China-Arab BRI Collaboration

#### 4.3 Establishing a Stable and Reliable Strategic Energy Partnership

China and Middle Eastern countries have long maintained relations characterized by equality, mutual trust, and close coordination on major international and regional issues. Among the various dimensions of cooperation, energy collaboration remains the most prominent pillar of China–Arab relations, highlighting the complementary and mutually beneficial nature of the partnership.

<sup>&</sup>lt;sup>60</sup> Kassem Tofailli (Lebanon), "The First China–Arab Summit Marks a Milestone (International Forum)," *People's Daily*, December 9,(2022):3.

<sup>61</sup> Promoting the Joint Construction of the Belt and Road and Advancing the Building of a China–Arab Community with a Shared Future, [EB/OL], *Xinhua News*, December 8, 2022,http://www.news.cn/world/2022-12/08/c 112919 1829.Htm, (Accessed May 1, 2025).

In parallel, China has actively contributed to infrastructure development across the Arab world, supporting projects in transportation, water management, and public services.

As one of the world's largest oil and gas producing regions, the Arab world plays a vital role in China's energy security. In 2021, China imported approximately 260 million tons of crude oil from Arab countries—representing nearly 52% of its total crude oil imports. Over the decades, this partnership has expanded significantly: from 1970 to 2010, China-Arab trade grew more than 620-fold, while China's oil imports from the region increased nearly 30-fold between the early 1990s and 2010.<sup>62</sup>

Today, Arab countries have surpassed the United States to become China's leading source of crude oil, positioning them as indispensable strategic partners in both energy supply and broader economic cooperation. Energy relations have evolved into a comprehensive, stable strategic partnership encompassing the full oil and gas value chain—ranging from exploration and extraction to refining, storage, and logistics. The emergence of the "oil and gas plus" model has enabled deeper industrial integration, exemplified by flagship projects such as the Yanbu Refinery in Saudi Arabia, which reflects long-term upstream—downstream cooperation and joint investment.<sup>63</sup>

This cooperation has been further institutionalized through long-term strategic agreements that reinforce mutual energy security, support shared development goals, and lay the groundwork for joint resilience in a rapidly changing global energy landscape.

As the global shift toward low-carbon, sustainable energy accelerates, Arab countries are facing growing pressure to diversify energy sources and reduce dependence on fossil fuels. In this transition, China's technological advantages in renewable energy, clean technology, and industrial upgrading position it as a key partner. Enhanced energy cooperation can assist Arab states in improving energy efficiency, enhancing energy resilience, and advancing green

Ding Long. "The Summit Witnesses a Historic Leap in China–Arab Relations," [EB/OL], Global Times, December 8, 2022, https://hqtime.huanqiu.com/share/article/4AmZbabnGq4, (Accessed May 1, 2025).

<sup>63</sup> Experts Discuss the Milestone Significance of the China–Arab Summit: Deepening Cross-Regional Cooperation for a Better Future, [EB/OL], *Southern Metropolis Daily*, December 9, 2022, https://m.mp.oeeee.com/a/BAAFRD0 0002022-1209747620.html, (Accessed May 2, 2025).

development, thereby contributing to regional stability and global climate objectives.<sup>64</sup>

Landmark initiatives such as the Yanbu Refinery and Egypt's large-scale photovoltaic power stations illustrate the feasibility and benefits of integrated energy cooperation. This evolving partnership is expanding into high-value, innovation-driven sectors, including smart grids, energy storage, and carbon footprint monitoring. The transition from basic resource complementarity to full-spectrum, value-chain synergy reflects a strategic reorientation toward co-developing a green energy governance model aligned with global sustainability standards.

Beyond technical and infrastructure collaboration, China and Arab countries are also deepening institutional cooperation in areas such as green finance and carbon market mechanisms. Notably, discussions are underway on establishing a "China–Arab Green Energy Fund" aimed at mobilizing private sector investment and leveraging capital markets to support regional energy transitions. This initiative signals a critical step toward building a more inclusive, market-oriented, and sustainable energy ecosystem in the Middle East.

### 4.4 Respecting National Development Choices and Advancing Sustainable Growth

China's new development philosophy emphasizes mutual learning among nations, highlighting the importance of balancing short-term goals with long-term strategies, and linking development with peace. Since 2022, China has stepped up its commitment to international development by increasing contributions to the China–United Nations Peace and Development Fund and by upgrading the South–South Cooperation Assistance Fund into the Global Development and South–South Cooperation Fund, with an additional US\$1 billion pledged on top of the existing US\$3 billion. 65 Furthermore, the establishment of the Global Development Promotion Center under the China International Development Cooperation Agency reflects China's commitment to supporting developing countries in implementing the GDI. China advocates for the formation of regional development partnerships that respect each country's

<sup>&</sup>lt;sup>64</sup> Wang Jia and Ahmed Hassan [Egypt]: "The Green Economy in Arab Countries: Progress, Challenges, and China's Role," *Arab World Studies*, No.3, (2024): 46-47.

<sup>&</sup>lt;sup>65</sup> Jin Xinlin & Yongliang. "Contributing Chinese Wisdom and Strength to Revitalizing the Global Development Agenda." Red Flag Manuscript, No.17, (2022):48.

right to choose its development path and uphold the voice and interests of the Global South. Through a focus on poverty reduction and job creation, China has supported a range of infrastructure and livelihood projects in Arab countries, aiming to foster industrialization, modernization, and long-term capacity building.<sup>66</sup>

The Middle East has long faced deeply rooted ethnic, sectarian, and geopolitical tensions. A persistent peace deficit and trust deficit, exacerbated by military rivalries, zero-sum thinking, and the pursuit of "absolute security," has led to recurring cycles of violence and instability. <sup>67</sup>These dynamics not only hinder regional integration and economic cooperation but also deepen the region's security challenges.

In response to these issues, China has proposed a development-oriented approach to security, emphasizing that sustainable peace can only be achieved by addressing its root causes-underdevelopment and social inequality. Rather than imposing top-down solutions, China supports bottom-up, inclusive peace-building mechanisms, encouraging locally driven initiatives to promote stability.

This approach has gained increasing traction in the Arab world, offering an alternative to traditional geopolitical models. By shifting the focus from conflict management to development as a foundation for peace, China has positioned itself as a constructive partner for long-term regional stability. As a leading advocate of the GDI, China is leveraging its strengths in infrastructure development, industrial cooperation, and human capital investment to help Arab countries transition from dependency on external aid "blood transfusion" to self-reliant development "blood generation".<sup>68</sup>

In both Saudi Arabia and Egypt, China's development-oriented engagement under the GDI has catalyzed a shift from externally dependent aid models to integrated, locally embedded partnerships. In Saudi Arabia, cooperation has expanded into highvalue sectors such as renewable energy, advanced manufacturing, and digital infrastructure. A prominent example is the Sakaka photovoltaic power plant—the

<sup>&</sup>lt;sup>66</sup> Sun Degang & Zhang Jieying. "Implementing the Global Development Initiative in China-Arab Cooperation: Theory and Practice." *Peace and Development*, No.5, (2022):99.

<sup>&</sup>lt;sup>67</sup> Sun Degang & Zhang Jieying. "Implementing the Global Development Initiative in China-Arab Cooperation: Theory and Practice." *Peace and Development*, No.5, (2022):98.

<sup>&</sup>lt;sup>68</sup> Xi Jinping. "Promote the Spirit of the Silk Road and Deepen China-Arab Cooperation." *People's Daily*, June 6,2014.

Kingdom's first utility-scale solar project—developed with Chinese participation. This initiative aligns with Saudi Arabia's Vision 2030, which prioritizes economic diversification and green transition. Furthermore, collaboration in 5G networks, cloud computing, and artificial intelligence has deepened, as Chinese firms assist in building the Kingdom's digital economy and e-governance infrastructure.<sup>69</sup>

In Egypt, bilateral cooperation has likewise intensified. The Benban Solar Park—one of the largest photovoltaic facilities globally—has benefited from substantial Chinese financing, equipment supply, and technical support, directly contributing to Egypt's goal of sourcing 42% of its electricity from renewables by 2035. The China-Egypt TEDA Suez Economic and Trade Cooperation Zone has become a cornerstone of industrial cooperation, hosting over 100 Chinese enterprises and generating tens of thousands of local jobs. It has also spurred development in related sectors such as logistics, manufacturing, and vocational training. Chinese companies have played a vital role in constructing Egypt's New Administrative Capital, providing digital infrastructure and smart governance solutions that enhance urban functionality and public service delivery.

These examples illustrate how GDI-aligned cooperation—through synergies with Saudi Vision 2030 and Egypt Vision 2030—advances sustainable development, drives industrial upgrading, and enhances domestic capacity. Rather than perpetuating external dependency, China's approach emphasizes innovation-driven, self-sustaining growth, contributing to regional resilience and a more balanced global development framework.

### Conclusion

Since the outbreak of the "Arab Spring", the Middle East has remained trapped in a dual deficit of security and development. Persistent ethno-religious tensions, unresolved border disputes, the spillover of internal conflicts, external interventions—including military strikes—and structurally imbalanced economies have created systemic obstacles to regional development. These intertwined challenges have made the Middle East a weak link in global development.

<sup>&</sup>lt;sup>69</sup> Liu Lei, "The Development of Digital Economy in Arab Countries and Opportunities for China-Arab Digital Cooperation," *Arab World Studies*, No.2, (2023):34-35.

<sup>&</sup>lt;sup>70</sup> Wei Shen and Han Chen, *China's Role in Egypt's Low Carbon Energy Transition: From Renewable Energy to Green Hydrogen*, International Institute of Green Finance, April, (2023):4,https://iigf-china.com/wp-content/uploads/2023/04/Policy-Brief-Egypt-Final Design-V3.pdf.

In recent years, as regional tensions have eased, development has returned to the policy agenda. Simultaneously, the rise of global crises and diminishing development momentum have intensified the need for coordinated responses. The GDI, by directly addressing the global development deficit, provides an institutional platform for aligning policies, deepening pragmatic cooperation, and fostering resource synergy.<sup>71</sup>

In this context, Middle Eastern countries have launched medium- and long-term strategies to restructure their economies. Resource-rich states are promoting diversification and industrial upgrading; resource-scarce states are advancing infrastructure and employment; and relatively stable economies are emphasizing innovation and sustainability. These priorities align closely with the GDI's focus, offering a foundation for strategic cooperation.

As a China-led global initiative, the GDI is emerging as a key external support for Middle Eastern states seeking autonomous development. Amid shifting global paradigms and expanding South–South cooperation, China offers institutional platforms and governance models that serve as viable alternatives to traditional development paths. Engagements with countries such as Saudi Arabia and Egypt highlight the initiative's growing institutional traction and policy adaptability.

Nonetheless, several challenges persist. Geopolitical rivalries may disrupt cooperation; weak domestic governance in some countries limits implementation capacity; fiscal constraints threaten project sustainability; and cultural and identity gaps hinder local acceptance. In addition, Western narratives often portray the GDI as a tool for geopolitical influence, fueling discursive contestation and institutional distrust. Many Middle Eastern states also exhibit path dependence on Western models and remain cautious toward global power shifts. Sustained GDI engagement in the region will require deeper alignment in institutional frameworks, cooperation mechanisms, and normative values to enhance political legitimacy and societal support.

In sum, the GDI is becoming an essential platform for addressing development deficits, transformation challenges, and governance gaps in the Middle East. By promoting institutionalized development pathways, advancing regional cooperation, and offering diversified policy alternatives, China is reshaping the region's

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Ministry of Foreign Affairs of the People's Republic of China. Wang Yi Attends the Launch of the Global Development Report, [EB/OL], June 20,2022,https://www.mfa.gov.cn/web/wjbz\_673089/xghd\_673097/202206/t20220620 10706197.shtml, (Accessed May 5, 2025).

development logic and providing a theoretical and structural foundation for Sino-Arab fostering a "Middle East model" within the evolving global development paradigm.