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## **A New Path to Peace: China's Economic Development Strategy in the Middle East**

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### **ABSTRACT**

*China has been engaged in many economic initiatives, like investing in Israeli high-tech start-ups, promoting tourism and developing infrastructure. The purpose of China taking these initiatives is to make better economic connections with countries to facilitate the peace-building process. China is using this economic strategy to resolve the conflict between Israel and Palestine in contrast to the traditional diplomatic approach used by the United States. The above-mentioned economic development strategy of China creates a loop where good economic relations will lead to peaceful coexistence and economic prosperity. Therefore, this research aims to explore the “how” factor to understand the contribution of innovative strategy, based on economic incentives, to resolving conflicts*

*specifically between Israel and Palestine. This research thoroughly analyzes China's economic development strategy for its relevance to conflict resolution in the Middle East. The study utilizes primary and secondary sources, including existing literature, policy documents, official statements, case studies, and data analysis. Special attention is given to the complex political landscape of the Israel-Palestine region, considering the involvement of various external actors and the deep-seated feelings of distrust between Israel and Palestine. The paper adopts a comprehensive approach to assess China's strategy as a potential avenue for conflict resolution.*

**Keywords:** Economic Development, Israel-Palestine conflict, China, Innovative Strategy, Peace Promotion

## Introduction

Recently, the idea that economic development fosters interdependence among nations, ultimately facilitating conflict resolution, is gaining popularity. The theory posits that offering economic incentives, such as enhancing trade and investments, promoting tourism, and building infrastructure, makes states engaged in a conflict more inclined to opt for peace over violence.

This approach focuses on building better economic linkages among states. That mutually beneficial economic connection would then create a loop where peace leads states towards economic prosperity, subsequently leading to peaceful coexistence.

Considering this concept and the conflict between Israel and Palestine, China is playing a prominent role by offering economic incentives in the region to facilitate the peace-building process. Moreover, this unconventional method also questions the pre-existing conventional peace promotion techniques employed by the US. According to the new economic development techniques, China has made large investments in Israeli high-tech businesses (acquisition of VisualLead and Infinity Augmented Reality Israel Ltd by Alibaba), encouraged tourism in the West Bank (Jericho and Ramallah cultural displays)

and has emphasized infrastructure development (Red-Med Railway and Solar Power Installation).

The economic development strategy used by China as a technique to resolve conflicts, particularly the Israel-Palestine conflict challenges the traditional diplomatic approach taken by the US which was political and negotiation-based. Therefore, China's method not only brings economic prosperity and peace but also provides states with considerable and long-term benefits. This is because economic incentives open up new channels for involved states to collaborate, build trust and increase predictability.

Nonetheless, it is also critical to recognize the limitations and challenges that arise while implementing an economic development strategy. The political and social impediments may be difficult to overcome. Despite that, China's economic growth strategy is worth considering as a fresh and viable alternative to settling the Israel-Palestine issue.

### **Complex Interdependence theoretical framework**

Considering the evolving role of economic factors in conflict resolution, this research paper uses a Complex Interdependence theoretical framework to study the significance of economic development strategy to cause countries to become interdependent to reduce the likelihood of a conflict.

The Complex Interdependence theory was developed by Robert O. Keohane and Joseph S. Nye and surpasses the traditional realist notion. The major assumptions of the Complex Interdependence theory are:

- i. States are connected through multiple channels such as cultural, social, and economic interactions. These channels go beyond the traditional channels related to military and security (Multiple Channels of Interaction).

The assumption suggests that there are many fronts on which each state interacts with the other extending beyond the traditional security matters. In today's international system, diplomatic relations and cultural exchanges are also quite significant. In the case of China, its heavy investment in Israeli high-tech startups illustrates the multiple channels of interaction involving economic ties, technological collaboration as well as strategic

investment in cutting-edge Israeli startups. Moreover, China's focus on tourism promotion also showcases how China is utilizing multiple channels of interaction including cultural exchanges and cultural understanding between different countries. In addition to this, China is also focused on developing infrastructure (railways, ports etc.) demonstrating forms of interaction other than military and security. All these actions taken by China create a complex network of interactions.

- ii. There is no clear hierarchy in various issues on the international agenda in which military security is not the only aspect; however, there are some other factors as well such as economic interdependence and cultural ties (Absence of Hierarchy in Issues).

The issues are interconnected, and no single issue dominates the international system contrasting the traditional view where the military was a primary driver of the international system. Therefore, the Chinese investment in Israeli high-tech startups also shows a lack of hierarchy suggesting that economic and technological cooperation is equally important. In addition to this, China's tourism in the Israel-Palestine region also reflects a lack of hierarchy by extending from economic considerations to cultural appreciation and understanding. Also, China's focus on the development of infrastructure falls under the use of non-military instruments to achieve economic growth and peace.

- iii. The non-military instruments are powerful and influential for states to rely on for the achievement of their goals. Economic leverage and international institutions are some of the examples of non-military instruments (Use of non-military instruments).

The final assumption focuses on soft power and economic instruments; therefore, China is also focusing on non-military instruments in the region to achieve its objectives. The tourism-related initiatives taken by China such as investment in tourism infrastructure, cultural exhibitions and events serve to promote cooperation.

Israeli startups, promoting tourism and developing infrastructure, presenting a new approach to end the ongoing conflict. This approach perfectly aligns with the assumptions of Complex Interdependence showcasing the importance of economic development in the

international system. That being said, this paper further explores the significance of China's economic strategy and recognizes that the new approach of China can serve as a catalyst for peace and stability for a few reasons, challenging the traditional approach employed by the US in political negotiations.

### **Research design**

To examine the impact of China's strategy of economic development, this research paper uses a mixed-method approach by analyzing China's initiatives such as investment in high-tech startups, tourism etc. in Israel. The analysis is conducted by reviewing literature, policy documents, investment reports, and official statements along with case studies and data analysis to support the main idea.

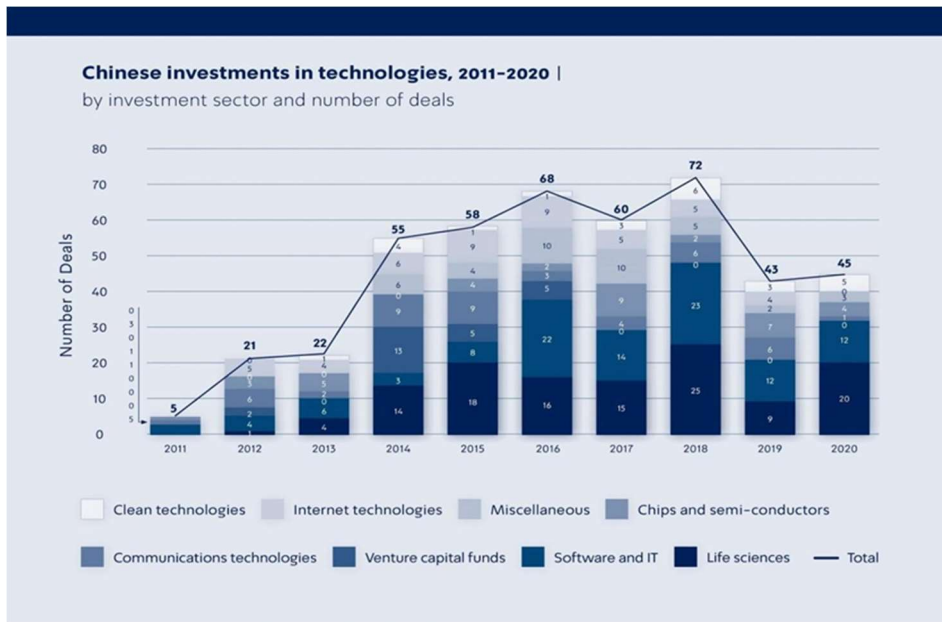
## **China's Investment in Israeli High-Tech Start-ups and Its Potential Impact on Peace**

China has recently been investing heavily in Israeli high-tech startups, which have been a key driver of the country's economic growth and innovation. According to data from the Israel Innovation Authority, Chinese investors poured nearly \$1.5 billion into Israeli startups in 2020, making China the largest source of foreign investment in Israeli tech.<sup>1</sup>

### **Figure 1: Chinese Investments in Technologies**

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<sup>1</sup> Shira Efron, Karen Schwindt, and Emily Haskel, "Chinese Investment in Israeli Technology and Infrastructure: Security Implications for Israel and the United States," [www.rand.org](https://www.rand.org/pubs/research_reports/RR3176.html), April 7, 2020, [https://www.rand.org/pubs/research\\_reports/RR3176.html](https://www.rand.org/pubs/research_reports/RR3176.html).



Source: INSS<sup>2</sup>

In 2015, Chinese e-commerce giant Alibaba, with a market value of \$457 billion, entered Israel's Startup market when it bought Visualead, a Tel Aviv-based startup known for unique quick Response codes (worth around \$457 billion).<sup>3</sup>

Alibaba later acquired Infinity Augmented Reality Israel Ltd. in 2019, an artificial reality technology development company based in Ramat Gan. Alibaba had made two purchases in Israel with this one.<sup>4</sup>

Additionally, in 2020, Alibaba invested \$200 million in "Locus View," which is an Israeli company specializing in digital construction management systems.<sup>5</sup> This is how

<sup>2</sup> Doron Ella, "Chinese Investments in Israel: Developments and a Look to the Future," Inss.org.il, February 1, 2021, <https://www.inss.org.il/publication/chinese-investments/>.

<sup>3</sup> Shoshanna Solomon, "Chinese Giant Alibaba Acquires Israeli Artificial Reality Startup," www.timesofisrael.com, March 24, 2019, <https://www.timesofisrael.com/chinese-giant-alibaba-acquires-israeli-artificial-reality-startup/>.

<sup>4</sup> Ibid.

<sup>5</sup> Orion, Assaf, and Galia Lavi. "Israel-China Relations: Opportunities and Challenges." The Institute for National Security Studies, August 2019. [https://www.inss.org.il/wp-content/uploads/2019/08/Memo194\\_4.pdf](https://www.inss.org.il/wp-content/uploads/2019/08/Memo194_4.pdf).

Alibaba benefited from Locus View's expertise and improved its position in the construction industry. Furthermore, Playtika, an Israeli social game startup, received a \$150 million investment from Tencent, a multinational Chinese company.<sup>6</sup>

Similarly, China's engagement with Israeli AI startups has been conspicuous, with significant moves like Baidu (the Chinese tech giant) establishing an AI Research Centre in Tel Aviv and extending investments to Israeli AI enterprises such as Taboola and Pixellot.<sup>7</sup>

Israel is recognized for its innovative technology, skilled labor force, and diplomatic ties with the United States. Therefore, China is interested in Israeli startups because it knows its investment would be highly beneficial having the potential to create prospects of jobs and maximize economic growth.

A positive ripple effect may also come from that - reconciliation and stabilization. That being stated, the benefit is not assured due to concerns that this same globalization may wreak havoc by fueling an already sore controversy in the West Bank in Palestine where many of these start-ups are located, – known to be illegitimate under international protocol. Conflicts arising from such investments could potentially ignite further tensions between Palestine and Israelis. Morally, obligations towards causing stability over chaos differ widely between China and its counterparts.

Throughout history, Western competition has been evident in the coercive investments made in Israeli businesses, despite their shared goals. Historically, Israel has relied on the US as a strategic ally, receiving support from the US both financially and militarily. However, several large corporations have decided to reevaluate their investments in the region because of growing public scrutiny of the US government's support for Israel's West Bank settlements.

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<sup>6</sup> Robyn Mak, "With Purchase of Israel's Playtika, Chinese Investors up Their Game," *Haaretz*, August 1, 2016, <https://www.haaretz.com/israel-news/business/2016-08-01/ty-article/chinese-investors-up-their-game-purchase-israels-playtika/0000017f-ef8b-d497-a1ff-ef8b05250000>.

<sup>7</sup> David Shamah, "China's Baidu Invests \$3 Million in Israeli Start-Up," *www.timesofisrael.com*, December 8, 2014, <https://www.timesofisrael.com/chinas-baidu-invests-3-million-in-israeli-start-up/>.

China, in contrast to the United States, is emphasizing better economic ties between Israelis and Palestinians by supporting regional Israeli business owners, while maintaining a more neutral position on the issue. To end the ongoing conflict, it seems like an interesting new approach; however, it comes with its challenges.

### **China's Use of Tourism as a Means of Promoting Economic Development and Peace in the West Bank**

Tourism, being part of China's economic development strategy, has always been a primary focus for supporting economic growth and mutual understanding. In the West Bank, China has been engaged in a big tourism project in the ancient city of Jericho.<sup>8</sup> The project comprised of constructing hotels, conference centers, and a large commercial complex. Also, China has made significant investments in the development of Bethlehem Industrial where Chinese enterprises are recruited and the local economy is promoted.<sup>9</sup>

To highlight the region's rich culture, China has organized many events and displays in the West Bank. In Ramallah, China previously organized a cultural show where Chinese and Palestinian cultural items were incorporated to promote understanding and collaboration between the two cultures.<sup>10</sup>

Tourism promotion is a very important part of China's strategy because it promotes job opportunities, and local economies and improves the quality of life for West Bank citizens leading towards economic growth and peace in the region. Moreover, China's cultural tourism programs may help to achieve peace by developing mutual understanding and respect among many cultures.

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<sup>8</sup> Friedrich-Ebert-Stiftung (FES), "TOURISM in EAST JERUSALEM: Indicators and Implications for Spatial Planning," 2020, [https://palestine.fes.de/fileadmin/user\\_upload/Publication\\_1/IPCC/IPCC\\_2020/Tourism\\_in\\_East\\_Jerusalem\\_2020s.pdf](https://palestine.fes.de/fileadmin/user_upload/Publication_1/IPCC/IPCC_2020/Tourism_in_East_Jerusalem_2020s.pdf).

<sup>9</sup> Bethlehem Museum of the Palestinian Heritage, "Home," Bethlehem Museum of the Palestinian Heritage, accessed December 24, 2023, <http://www.bmipbethlehem.com/>.

<sup>10</sup> The Arab Weekly, "Ramallah Exhibition Presents Historical 'Palestine from Above,'" AW, September 18, 2021, <https://the arabweekly.com/ramallah-exhibition-presents-historical-palestine-above>.



However, in the context of the Israel-Palestine conflict, the influence of tourism can be complex to understand. It is commonly believed that tourism has the potential to promote economic progress and peace, but it may also unintentionally worsen the underlying political and social issues when it comes to the Israel-Palestine issue. Since tourism draws one's attention to notions such as territorial control and ownership, it may reinforce land and resource disputes.

In contrast to China, the focus of the US was more on religious tourism in the region by emphasizing visits to Christian holy sites. Moreover, the construction of the airport of Eilat in Israel was also funded by the US signifying US emphasis on tourism infrastructure.<sup>11</sup>

The major limitation to the promotion of religious tourism must be recognized. Religious tourism does encourage dialogue and understanding across religions. There's a risk that this could unintentionally fuel existing regional political and religious divisions.

While Christian landmarks hold great significance, neglecting the cultural value of other religious institutions creates an imbalance in the narrative. Promoting religious tourism with inclusivity as a guiding principle is the way forward for understanding and appreciation of human spiritual expression. China's promotion of cultural tourism in this regard is more inclusive than US to promote regional economic growth and peace. China's approach, which bring to light the cultural legacies of different ethnic groups in the West Bank, increases awareness of the region's unique history and culture.

## **Developing Infrastructure as Means of Promoting Economic Development**

With the goal of encouraging peace and prosperity, China is directing major infrastructure projects like the RedMed railway.<sup>12</sup> This initiative, navigating Israel and the

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<sup>11</sup> U.S. Embassy in Israel, "Fact Sheet U.S. – Israel Economic Relationship," U.S. Embassy in Israel, accessed December 24, 2023, <https://il.usembassy.gov/our-relationship/policy-history/fact-sheet-u-s-israel-economic-relationship/>.

<sup>12</sup> Salem Y. Lakhali and Souad H'Mida, "Author the Red-Med Railway Project a Serious Competitor to the

West Bank, aims to improve trade and communication connections, potentially leading to positive economic and social impacts in the region.<sup>13</sup> Like this, China is also working on establishing industrial parks in the West Bank city of Jenin. It will increase job prospects for the population of the West Bank.

**Figure 2: Israel-Palestine Region**



Source: Encyclopedia Britannica<sup>14</sup>

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Suez Canal for Cargo Containers?,” *Independent Journal of Management & Production* 8, no. 3 (September 1, 2017): 898, <https://doi.org/10.14807/ijmp.v8i3.619>.

<sup>13</sup> Tom Selwyn and Rami K. Isaac, Chapter “Towards the Future of Tourism and Pilgrimage in Bethlehem, Jerusalem and Palestine”. In *The Politics and Power of Tourism in Palestine*, 1st ed. (Routledge, 2015), 197–216.

<sup>14</sup> The Editors of Encyclopedia Britannica, “West Bank | Definition, History, Population, Map, & Facts,” in *Encyclopædia Britannica*, January 30, 2019, <https://www.britannica.com/place/West-Bank>.

In addition, The China Harbour Engineering Company (CHEC) was committed to developing a port of Haifa in Israel that was designed to serve as a gateway for goods entering and departing the West Bank.<sup>15</sup> It means the purpose of this initiative is to improve regional trade and economic activities.

Furthermore, China has been involved in various infrastructure development initiatives, such as the completion of a solar power installation in June 2023. The project was initially signed in the presence of two presidents, as mentioned by Mohammed Mustafa, President Abbas' economic adviser. China is fostering connectivity and economic activities between the states through other related projects, including the manufacturing of solar panels, a steel plant, and road infrastructure.<sup>16</sup>

Remarkably, China hopes to foster regional peace by building infrastructure in addition to advancing economic growth and stability in the area. This will lead to the creation of new jobs and economic advancement in the participating countries, which will reduce poverty and improve living conditions.

Initiatives for infrastructure development also help to change the hostile atmosphere into one that is more favorable for peace negotiations between Israel and Palestine. It means that by giving the governments of those countries a chance to collaborate and coordinate, such projects catalyze the development of diplomatic relations and trust.

The most important advantage of China's engagement in these initiatives is that they could improve trade, infrastructure, and the Middle East's overall regional development offering substantial security and stability guarantees.

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<sup>15</sup> Grace M. Lavigne, "China Wins Tender to Build Port in Israel | Journal of Commerce," *joc.com*, June 20, 2014, [https://www.joc.com/article/china-wins-tender-build-port-israel\\_20140620.html](https://www.joc.com/article/china-wins-tender-build-port-israel_20140620.html).

<sup>16</sup> Joe Cash, "China Offers 'Chinese Wisdom' over Palestinian Peace Talks, to Fund Projects," *Reuters*, June 13, 2023, sec. World, <https://www.reuters.com/world/china-attaches-great-importance-palestinian-issue-supports-peace-talks-foreign-2023-06-13/>.

In contrast to China's approach, the US was more focused on providing military assistance to Israel which later contributed towards establishing Israeli military dominance in the region.<sup>17</sup> The approach of the United States was very limited because it didn't have any impact on economic development. In addition to this, US has been hesitant to develop infrastructure in Palestine and Israel, thereby stifling economic growth and employment prospects. China's infrastructure projects, on the other hand, are more inclusive including both Israel and Palestine within the scope of its economic development strategy.

While the impact of strategy on conflict is yet to be seen; however, the projects undertaken by China have immense potential to produce opportunities for economic growth and cooperation for a more stable and peaceful environment.

### **Challenges and Limitations of China's Economic Development Strategy in Resolving the Israel-Palestine Conflict**

Undoubtedly, China is doing a decent job of utilizing economic development to aid in the resolution of the Israel-Palestine conflict, but it's important to consider the challenges and constraints this strategy entails. Decades of animosity have resulted from political, religious, and cultural disparities between Israel and Palestine. There is little doubt that a wide range of regional and international actors have an impact on the Israel-Palestine conflict, further complicating matters. China's recent hyper engagement in the region has made some skeptical of its role as a non-traditional mediator in the region. Some argue that China might eventually change its stance due to its substantial economic interests. China's economic expansion strategy in the region has led to a complex political situation.

China's social environment presents another obstacle to its economic policy in the Israel-Palestine region. Since the conflict has been going on for decades, as was previously mentioned, the people in the area have also suffered greatly, leading to long-standing resentment and a lack of trust between Israel and Palestine. China's strategy

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<sup>17</sup> Kali Robinson, "What Is U.S. Policy on the Israeli-Palestinian Conflict?," Council on Foreign Relations, May 27, 2021, <https://www.cfr.org/background/what-us-policy-israeli-palestinian-conflict>.

required cooperation and coordinated efforts to successfully implement its programs, so Israel and Palestine's lack of trust presents a big obstacle.

Comparably, to end the conflict, the US encountered social and political obstacles as well. It is also commonly assumed that USA's bias towards Israel undermined its credibility as a mediator.<sup>18</sup> Additionally, a mediator must take the conflict's socioeconomic background into account. Above all, a successful mediator, be it US or China, should prioritize building mutual respect and cooperation between the Israelis and the Palestinians.

Above all, China appears to have a very promising strategy if carried out correctly. China has to take the region's complicated political and social environment into account for it to be implemented successfully.<sup>19</sup> While economic prosperity can be a valuable tool for peacebuilding, addressing the underlying causes of conflict remains crucial. Sustainable peace requires tackling deep-seated issues beyond just alleviating financial struggles.

## **Regional Perspectives and Criticisms**

Understanding the complicated perspective on China's economic strategy in the Middle East requires consideration of regional concerns, government assessments, and the views of academic and civil society organizations. Evaluating China's influence and its potential impact on stability necessitates a balanced approach.

The debate surrounding China's approach to the Israel-Palestine region centers on the potential trade-offs between economic engagement and promoting human rights and democracy. Critics voice concerns that the former could mistakenly encourage

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<sup>18</sup> Ibid.

<sup>19</sup> Assaf Orion and Galia Lavi, "Israel-China Relations: Opportunities and Challenges" (The Institute for National Security Studies, August 2019), [https://www.inss.org.il/wp-content/uploads/2019/08/Memo194\\_4.pdf](https://www.inss.org.il/wp-content/uploads/2019/08/Memo194_4.pdf).

authoritarian regimes and obstruct democratic aspirations. Analyzing the potential consequences of both perspectives is essential in this regard.<sup>20</sup>

Some stakeholders express concerns about the impact of China's large-scale infrastructure projects in the region. They do recognize the importance of infrastructure development as beneficial for the economy; but they, on the other hand, are also concerned about the environmental and resource harm that could be caused because of those initiatives. For instance, The Belt and Road Initiative (BRI), which includes many Middle Eastern Projects as well, has been condemned for potential environmental damage—deforestation and increased carbon emissions.<sup>21</sup>

In addition to this, some Western countries are also concerned about China's investments in Israeli high-tech firms. According to those countries, it is concerning to allow China to access advanced technology because it indirectly threatens their national security and intellectual property rights. It can better be observed by looking at the US establishing stricter laws and screening procedures so that China could not access that crucial technology.<sup>22</sup> Notably, it is because those countries don't want China's capacity to gain a competitive advantage in critical industries through technology transfer.

In terms of Middle Eastern Countries, they often question China's long-term involvement in the region. Since China has been providing loans and grants to Middle Eastern countries, it may lead the recipient countries to become financially vulnerable and

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<sup>20</sup> Sovinda Po and Kearrin Sims, "The Myth of Non-Interference: Chinese Foreign Policy in Cambodia," *Asian Studies Review*, February 24, 2021, 1–19, <https://doi.org/10.1080/10357823.2021.1887813>.

<sup>21</sup> Piccirilli Dorsey, "Exploring the Environmental Repercussions of China's Belt and Road Initiative | Article | EESI," Eesi.org, 2018, <https://www.eesi.org/articles/view/exploring-the-environmental-repercussions-of-chinas-belt-and-road-initiative>.

<sup>22</sup> Jon Bateman, "U.S.-China Technological 'Decoupling': A Strategy and Policy Framework," Carnegie Endowment for International Peace, April 25, 2022, <https://carnegieendowment.org/2022/04/25/u.s.-china-technological-decoupling-strategy-and-policy-framework-pub-86897>.

economically dependent on China. These concerns are rooted in the fact in Pakistan and Sri Lanka, Chinese investments became a major issue previously.<sup>23</sup>

In contrast, certain stakeholders have also supported China's objectives of economic development in the Middle East because they consider China a very important partner with the potential to promote stability and economic growth in the region. According to them, the non-interference policy of China is a very good feature that allows other countries to pursue their development paths without any external interference.

Additionally, Chinese Infrastructure investments have also been welcomed by several Middle Eastern countries despite criticisms. The infrastructure initiatives have resulted in the fulfilment of critical development means of the region. Also, certain initiatives have contributed to regional connectivity. For example, China and Middle Eastern countries have been enjoying the benefits of increased trade and economic integration which became possible by the expansion of ports and transport networks.<sup>24</sup>

Beyond economic engagement, China has actively promoted understanding and cross-cultural ties through initiatives like scholarship programs and establishing Confucius Institutes. These efforts provide opportunities for Middle Eastern students to study in China and engage in academic and cultural exchange, promoting deeper connections between people.<sup>25</sup>

## **Understanding China's Position amidst the ongoing War between Israel and Hamas**

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<sup>23</sup> The Times of India, "Sri Lanka, Pakistan, Maldives Stand Neck-Deep in Chinese Debt: Forbes," *The Times of India*, September 12, 2022, <https://timesofindia.indiatimes.com/business/international-business/sri-lanka-pakistan-maldives-stand-neck-deep-in-chinese-debt-forbes/articleshow/94151865.cms>.

<sup>24</sup> Assaf Orion and Galia Lavi, "Israel-China Relations: Opportunities and Challenges" (The Institute for National Security Studies, August 2019), [https://www.inss.org.il/wp-content/uploads/2019/08/Memo194\\_4.pdf](https://www.inss.org.il/wp-content/uploads/2019/08/Memo194_4.pdf).

<sup>25</sup> Ibid.

On the 7th of October, some members of Palestinian militant group Hamas (in Gaza), initiated an attack on Israel, and the incident resulted in approximately 1400 casualties and more than 200 abductions. In response, Israel started bombardment of Gaza leading to the loss of thousands of Palestinian lives. The war has intensified and created global concerns and calls for ceasefire with the massive killing of people by the Israeli bombing including children in Palestine. In this tense situation, many world leaders' responses have unfolded either in support of Palestine or Israel. For instance, US President Joe Biden not only condemned Hamas attacks but also supplied two carrier strike groups and 2,000 troops in support of Israel. Whereas the United Kingdom (UK) Prime Minister Rishi Sunak, French President Emmanuel Macron, and Japanese Foreign Minister Yoko Kamikawa also engaged. Also, Egypt and Qatar demanded an immediate ceasefire and the release of Hamas Captives. In contrast to the reaction of world leaders, China has followed a line. Since it has asked for a ceasefire as well as criticized the massive human destruction; however, its response is quite different than those taken by other world leaders.

While China did send its Middle Envoy to the region showing that China is diplomatically engaged; however, neither Xi nor Wang Yi visited the region personally. Moreover, in the statement of Wang Yi, he said that it must not be overlooked that Palestinian people were facing injustice being the root cause of the conflict. Therefore, justice must be served to them first.

Historically, Beijing has always considered the Palestinian issue as part of the global national liberation movement. However, China's growing engagement with the international community also comprised Israel. Recently, China has engaged with the United Nations Security Council for immediate resolution of the conflict. Also, it condemned the US for vetoing the Brazilian resolution proposal calling for a humanitarian pause to allow aid into Gaza. Furthermore, China and Russia, in response, also vetoed the US draft affirming Israeli rights to defend itself and accused Israel of going "beyond the self-defense."

## **Conclusion**



In short, the strategy used by China to use economic development as a tool to resolve international conflicts specifically the Israel-Palestine conflict is indeed an innovative and fresh perspective on conflict resolution. The fresh economic approach doesn't just question the conventional methods the United States has typically employed for conflict resolution; it also presents a novel and promising route to achieving peace. It is because the new initiatives taken by China such as investments in Israeli high-tech startups, tourism promotion and infrastructure development create complex dependence of Israel and Palestine on China and vice versa resulting in reduced probability of war and ultimately facilitation of peace in the region.

While China's economic approach to peacebuilding in the Middle East holds promise, it faces several critical hurdles. The region's complex political situation, already stalled in external involvement, casts doubt on China's neutrality and mediation potential. Decades of conflict between Israel and Palestine further add layers of mistrust and impede potential economic collaboration. Critics raise concerns about prolonging human rights abuses through unconditional investments, environmental damage from infrastructure projects, and national security risks for Western states due to China's high-tech investments and potential debt traps for developing countries. To tackle these challenges and connect the potential benefits of economic peacebuilding, a careful weighing of interests and approaches is essential.