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Might China Change Its Policy of Nonintervention?

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EXECUTIVE SUMMARY: China has had relationships with Venezuela and Congo – countries that have experienced severe internal difficulties of late – for dozens of years. In Venezuela, China has chosen not to intervene and has withdrawn its investments. Though Beijing has yet to respond in any significant way in Congo, it can be assumed that it will take a similar approach. It does not appear that the conflicts in Congo, though they are accompanied by some financial risk to China's economy, will affect Beijing's overall policy regarding foreign intervention.

China has cooperated and traded with Venezuela and the Democratic Republic of the Congo for decades. Both countries are currently undergoing periods of upheaval.

Chinese-Venezuelan relations strengthened at the end of the 20th century, during the massive increase in fuel consumption by the Chinese growth economy. Commerce between the countries skyrocketed from $500 million in 1999 to around $7.5 billion a decade later. As Venezuela holds the world's largest proven oil reserves and the Chinese economy needed oil to keep up the rapid pace of its development, that commodity has been the dominant trading product.

Other areas of commerce include military equipment. China's military industry has sold attack helicopters to the Venezuelan army since 2006, among many other transactions.

In 2007, Venezuela's information office announced that China's National Petroleum Corporation would start producing heavy oil in the Orinoco River region and cooperate with the government in Caracas to construct three oil refineries in China and build a fleet of oil tankers. Other deals were discussed and signed. The relationship was bolstered by the two countries' desire, especially on the Venezuelan side, to decrease American dominance in the market.

Chavez's policy of nationalization, a socialist policy of many years' standing, together with bad economic policies and a drop in oil prices, which made up most of the country's income, have since brought Venezuela to a dire financial situation. Inflation jumped to 720% in 2016 and is expected to far exceed 1,000% in 2017.

In 2016, Beijing announced that it would stop granting new loans to Venezuela; and while it eventually gave Caracas another chance, it nevertheless significantly reduced the total amount of loans and investments. In 2014-15, total loans added up to $5 billion and $4 billion, respectively. In 2016, China loaned Venezuela only $2.2 billion and even less in 2017.

Beijing's relations with Congo date as far back as 1887, when the Qing dynasty that ruled China began to communicate with Congolese leaders. In the modern era, the two countries have had diplomatic relations since 1971. As in the case of Venezuela and China, economic relations between Congo and China strengthened at the end of the 20th century and have been steadily growing ever since.

Congo exports a variety of natural resources to China, which in return invests in infrastructure in Congo and grants loans to the local government. According to the AidData database, the Chinese government created 21 projects in different development fields in Congo between 2000 and 2011. Among these projects are schools, hospitals, dams, and bridges. Beijing has also sent Congo, as well as other African countries, UN peacekeeping forces.

The Chinese government took this approach because it needs Congo's natural resources, notably minerals and metals like copper and cobalt (used, among other applications, to manufacture batteries and magnetic products, as a catalyst in the oil industry, and for medical applications). Half the world's reserves of these resources are located in Congo.

Joseph Kabila, the Congolese president, should have ended his term in November 2016. But when that month arrived, state authorities announced that there would not be another election until early 2018. This announcement led to extreme violence between the regime's supporters, together with the official security forces, and the regime's opponents. This violence has led, according to UN reports, to a staggering 3.8 million Congolese refugees and many casualties whose fate has yet to be verified.

In the case of the Venezuelan unrest, Beijing's response was slow and measured, in accordance with the leading principle of its foreign policy principle of non-interference in other countries' internal affairs.

The Chinese could have sent the Venezuelan president support to stabilize his administration and guarantee the flow of oil, but chose instead not to intervene. Beijing withdrew its investments from Caracas and increased oil imports from other countries.

One might reasonably infer that Beijing will react similarly in Congo. It can be argued that while Congo is an important partner for China and a huge source of natural resources, those resources cannot compare to the importance of Venezuelan oil.

It would have made sense for China to intervene in Venezuela more than it would have in Congo, and not just because of its interest in Venezuelan oil. Caracas is extremely hostile to the US. This hostility reached a peak last month when Donald Trump announced new sanctions on Venezuela. Had the Chinese decided to support the Venezuelan government, they would have cemented their status as an opposing force to the US more than they would had they supported the Congolese government.

The policy of nonintervention has proven effective for Beijing. It does not appear that the current conflicts in Congo, though they involve some financial risk to China's economy, will affect this policy. Still, despite Beijing's preference to stay out of foreign internal affairs, it may choose to take a more significant role on the global stage. This could occur if other superpowers take a step back, or if China finds itself facing the prospect of a severe financial hit.

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