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China's Strategic Involvement in Central Asia-Strategies, Results and Obstacles

Chinese economic and political involvement in Central Asia started with the demise of the former Soviet Union. Due to Russia's steep economic decline and indeed near-collapse in the 1990s, the new independent Central Asian states were obliged to secure trade and investments as well as economic and financial aid from outside of Russia. This in turned created the opportunity for the expansion of Chinese trade and investments in the region. While Chinese investments were generally welcome, that was not always the case for Beijing's attempts to also increase its political and security influence in the region. Indeed, given the widespread mistrust towards China, Central Asian nations were not prepared to replace earlier Russian dominance and hegemony with a Chinese version of both.

To be sure, the China of the early 1990s was in terms of economic and financial power nothing like the Chinese economic powerhouse of today. While China's economy was already growing at double-digit growth rates in the early 1990s, its regional, not to mention global, economic and financial reach and profile was still very limited indeed. Back then, China was still a poor developing country and it was not until the very end of the 1990s that the Chinese export-oriented driven and resource-hungry economy begun to have an impact on the global economy. If China had already in the early 1990s had the economic resources and reach it has today, it is very likely that its political power and influence in Central Asia would be even stronger today.

Supported by trade and investments, China today is-next to Russia-the region's most powerful actor in the region. It is the largest trading partner of many countries in the region, has become the region's most important investor and its massive investments into Central Asian energy infrastructure will continue to make sure that

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Abstract

While nobody says so openly in Beijing, Chinese policymakers and Central Asian scholars are confident that Beijing will replace Russia as the region's most influential and powerful actor, albeit 'non-aggressively'. Beijing is already the largest trading partner of many countries in the region and its investments into Central Asian energy infrastructure are too massive not to translate into political dominance and hegemony rather sooner than later.

China is an ardent supporter of the regional non-democratic status quo and does not intervene in the region's regimes' oppressive policies containing democracy or anything resembling it. In return Beijing wants (and largely gets) support for its own oppressive policies to contain Muslim and Islamist separatist movements in the Chinese province of Xinjiang. In order to secure region-wide support for what Beijing calls the region's 'three evils': terrorism, separatism and extremism, China provides the region with generous enough economic, financial support and territorial concessions.

From Russia's view, Beijing is an uninvited guest challenging Russia's influence in its strategic backyard. Consequently, Moscow's enthusiasm for Chinese-driven and financed regional integration in the fields of politics and security remains limited at best, unless it serves to contain Western (above all US) influence and interference. Moscow is wary about China's rapidly military modernization and remains categorically opposed to the establishment of Chinese military bases in Central Asia.

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(*) The opinions expressed herein are strictly personal and do not necessarily reflect the position of ISPI.

economic power and influence will almost inevitably continue to be accompanied by growing political influence¹.

China's Central Asian economic policies in general and economic and technical assistance in particular have in recent years been partly driven by the objective of securing region-wide support for fighting what Beijing calls the region's "*three evils*": terrorism, separatism and extremism. Part of this strategy, Swedish China scholar Niklas Swanström argues, is the provision of enough economic, financial support and territorial concessions to secure broad regional support for fighting the "*three evils*". The core of Chinese cooperation with Central Asian regimes in this context are joint anti-terrorism policies and activities.

Resolving outstanding border disputes with Central Asian states on the other hand are in Beijing viewed as a pre-condition to intensify cooperation between Chinese and Central Asian authorities to deal with rampant organized crime and regional drug and narcotics trafficking.

Beijing has made Central Asia an integral part of its so-called "Develop the West" programme, through which major economic redistributions from urban eastern China to the Chinese west, primarily Tibet and Xinjiang, are aimed to consolidate territorial integrity minimizing incentives for separatism.

Happy with China, up to a point

Beijing's economic, financial and technical assistance and its energy infrastructure investments qualify China-albeit within limits-to play the role of an "honest broker" in the region. From the perspective of Central Asian regimes China is undoubtedly a more trustworthy and indeed more 'convenient' ally than the West because of its strict adherence to the policy of non-interference in other countries' internal affairs. Put bluntly: the more China ignores and not comments on repressive policies in Central Asia, the more Central Asia's oppressive regimes are willing to accept Chinese regional economic and increasingly political leadership (as e.g. in the framework of the Shanghai Cooperation Organization, SCO).

China's economic activity in Central Asia-as it is also the case for Chinese economic, trade and investments in Africa-is not free from controversy and indeed still the source of widespread mistrust towards China. Despite the economic benefits, Beijing and its state-owned enterprises are still perceived as economically threatening, putting parts of Central Asian local industry and traders out of business. A rapidly growing Chinese economic involvement in the region, it is feared in this context, will continue to be accompanied by massive immigration of Chinese workers leading to mass unemployment and the hollowing-out of local industries. While these fears turned out to be exaggerated, Chinese investments and growing trade ties did indeed-like it is the case in Africa-lead to noteworthy Chinese immigration to Central Asia, visible e.g. on markets and bazaars.

Finally, China is increasingly seeking to export Chinese soft power to Central Asia through cultural and educational exchanges. While Chinese soft power policies have produced some results, the region's resentments against China-mainly due to Chinese occupation and colonizing policies of the past-will continue to endure.

Supporting the non-democratic political status quo

Beijing is a strong supporter of the political status in Central Asia and has no interest whatsoever in supporting regime change in the region, not least out of the fear that some secular Central Asian governments could be replaced by more religious (i.e. Islamist) government supporting e.g. the

¹ N. SWANSTRÖM, *China's Role in Central Asia: Soft and Hard Power*, in «Global Dialogue», Vol. 9, No. 1-2, Winter/Spring, 2007.

Uyghurs' struggle for independence in the Chinese province of Xinjiang. The "deal" between China and Central Asian government is, at least from a Chinese perspective, fairly simple: no Chinese interference in Central Asian politics in return for Central Asian assurances not to support or finance separatism in Xinjiang.

Consequently, China will continue to refuse to support the region's civil society advocating the transformation of Central Asian authoritarian regimes into democracies. To be sure, anything else would-to put it bluntly- be a surprise: a non-democratic country (China) is hardly in the position of and indeed not interested in promoting democracy elsewhere.

A spill-over effect of calls for more (or any at all) democracy from Central Asia into China (and Russia for that matter) is hence from a Chinese (and Russian) perspective to be avoided at all costs. Currently, reformist and democratic forces and groups in various Central Asian countries have very limited opportunities to promote democracy and political freedom due to oppressive government policies.

Arguably, China's strategy of refusing to intervene in internal conflicts in the region has its strengths but also its weaknesses. While Beijing's policy of non-interference in internal Central Asian politics is obviously welcome by the region's oppressive regimes, it arguably limits Beijing's role and influence Central Asian politics by default. From a Chinese perspective, however, that is not necessarily the case. Non-interference, it is argued amongst Chinese policymakers and scholars, enables Beijing to conduct so-called "quiet diplomacy", i.e. policies and diplomacy, which influence politics in other countries in a non-confrontational way. In essence, an approach not to challenge or criticize authoritarian regimes in the case of internal oppression and human rights violations and not to take sides in the case of conflicts between states in the region.

What's more, it is typically argued by Beijing's policymakers in the same context, Chinese trade and investments promotes political stability in the countries it is investing in. The absence of internal conflicts influences the level and intensity of Chinese investments in the countries in question and hence-at least in theory-the less a country is subject to internal problems and revolts, the more it can expect Chinese investments². However, the fact that Central Asia's oppressive regimes have in the recent past several times chosen to create (from a Chinese perspective) a "safe" and "stable" investment environment through oppression and violence, is usually ignored in Beijing.

In sum, stability-even if achieved through oppression and violence-remains an acceptable option for Beijing and Chinese investors in Central Asia (like arguably pretty much elsewhere too).

Wanting the energy

While China's engagement in Central Asia was initially mainly driven by issues related to border security between itself and several Central Asian states as well as by the desire to achieve stability in its minority provinces (such the Muslim province of Xinjiang³), Beijing's interactions with Central Asia today are focused on issues related to energy and energy security. China has over recent years invested heavily into the regional energy infrastructure through the construction of roads, highways and railroads, improving transport links between parts of Central Asia and China. The energy resources of Central Asia-above all oil and gas-are crucial to China's energy security policies aimed at diversifying sources and adding new energy corridors. While up until today, large portions of Chinese crude oil is shipped through the Straits of Malacca transporting crude oil from

²For further details see also A. KHODZHAEV, *The Central Asian Policy of the Peoples Republic of China*, in «The China and Eurasia Forum Quarterly», Vol. 7, No. 1, February 2009, pp. 9-28.

³ See e.g. L. DITTMER, *Central Asia and the Regional Powers*, in «The China and Eurasia Forum Quarterly», Vol. 5, No. 4, 2007, pp. 7-22.

the Middle East and Africa to China, Beijing has become increasingly active in competing for US and Russian-dominated oil fields in e.g. Kazakhstan and is also envisioning the exploitation of oil and gas fields in the Caspian Sea.

Chinese investments aiming at the re-vitalizing the Silk Road transport corridor has helped Central Asia to make significant progress to once again become a regional transport hub cutting the time for the shipment of goods from Asia to Europe very significantly. While shipping goods from China to Europe currently takes up to 40 days, the new envisioned transport links through Central Asia are estimated to cut the travel time to as little as 10 days in the years ahead. Obviously, improving the transport links between Central Asia do not come without “collateral damage”: improved transport links also increase efficiency and speed of the transport of drugs and narcotics.

Over recent years China has made significant financial contributions to the Gwadar port in Pakistan, built a US\$7 billion pipeline from Kazakhstan to Xinjiang. Moreover, Beijing was awarded a US\$4 billion tender to develop the Yanak copper field in Afghanistan, and is-much to Russia’s chagrin-building a gas pipeline from Turkmenistan to China.

Indeed, Moscow is opposed to and indeed angered by the diversification of Beijing’s energy policies in Central Asia and would naturally prefer Beijing to remain dependent for its oil and gas deliveries on a pipeline system exclusively operated by itself. While Moscow wants energy exports to China to be transported through the Russian transport network, Beijing is envisioning (and heavily investing into) a pipeline system from Central Asia to Xinjiang.

Fears of entrapment

Out of the fear of being involuntarily entrapped-like the Soviet Union in the past and the US in the present in Afghanistan-in open-ended military conflicts, China’s policies driven and restrained by the principle of non-intervention, seem-at least for now- to be the suitable security policy approach towards Central Asia. However, the outbreak of armed conflict between the Chinese government and the Uyghur minority in 2009 forced Beijing to re-consider its approach to avoid involvement in Central Asian regional security as much as possible. The same was already true for Afghanistan and the Taliban in the early 2000s: when the US-as it seemed back then-successfully and sustainably disempowered the Taliban in Afghanistan, China was above all concerned about the impact of the Taliban’s defeat on its own security. The defeat over the Taliban, it was feared in Beijing back then, could lead to Taliban fighters and other groups with links to Al Qaida seeking refuge in Xinjiang.

Consequently, the withdrawal of US military from Afghanistan scheduled for 2014 will also be of great interest to China as there is little doubt today that the Afghan police and military will not be able and prepared to fill the country’s security vacuum left by a withdrawal of US military. Militants and extremists, it is feared in China, could then once again take over the country threatening Chinese Afghan investments and indeed its own national territory. Consequently, China could be obliged to increase its own contributions to Afghan military security if Washington’s withdrawal from the country does indeed result in increased and persistent political instability.

Keeping separatism in check

Due to China’s tumultuous history (ancient and contemporary), concerns about political instability, religion-driven unrest and separatism are a very central part of current Chinese policy thinking. In fact, internal stability and the ability to contain Tiananmen Square-style internal revolts and protests, as well as ethnic unrests in Xinjiang and other Chinese provinces remain on the very top of China’s domestic policy agenda. Consequently, Beijing is constantly concerned about the possibility that the Xinjiang-based Uyghur Muslim minority could receive support for its separatist cause and the establishment of what the Uyghurs call “East Turkestan”, a de-facto sixth Central Asian state. As a result, Beijing has always made it clear to Central Asian governments that economic, financial and infra-

structure aid would only take place in the absence of support for separatists and independent fighters in Xinjiang.

Roughly 80% of China's trade with Central Asia is conducted through Xinjiang, and there are approximately 400,000 Uyghurs living in Kazakhstan and Kyrgyzstan who in Beijing's view (and arguably in Beijing's view only⁴) threaten China's territorial integrity. Indeed, like it is the case with the alleged "danger" for Chinese territorial sovereignty integrity posed by Tibetan or Taiwanese separatism, the actual impact of separatism in Xinjiang on Chinese territorial integrity is deliberately exaggerated and exploited in Beijing as a justification to deal militarily with conflicts between ethnic minorities and the central government.

While popular support for Xinjiang as Central Asia's sixth state ("East Turkestan") is widespread, it has not led Central Asian governments' (official) support of Xinjiang's separatist ambitions. In fact, the contrary is the case: Central Asian government have joined forces with Beijing to fight Muslim and Islamist fundamentalism and radicalism.

Russia is worried, of course

Predictably, Russia is concerned about China's military modernization in general and its rapidly increasing ability to wage and win war in Central Asia in particular. China's "Lanzhou Military Region"⁵ is responsible for security in Xinjiang as well as various parts of Central Asia⁶. Of particular concern to Russia are China's so-called "Special Operations Forces" and "Resolving Emerging Mobile Combat Forces" stationed in the "Lanzhou Military Region".

While Russia-above all due to problems related to funding and resources-decreased its military presence in Central Asia in the early 2000s, it again began to re-deploy troops to the region from 2008 onwards. This was accompanied by the expansion of military partnerships with countries in the region such as Kazakhstan, which-like other countries in Central Asia-are important clients of Russian defence contractors.

Russia remains categorically opposed to Chinese military presence in the region and refused to endorse Beijing's plans in 2005 to establish military bases in Uzbekistan and Kyrgyzstan. While Beijing had to give up on its plans to open bases in Central Asia back then, it cannot be excluded that increased military cooperation and exchanges, along with-at least on paper-decreased mutual distrust between China and Central Asian states, could in the future lead to Central Asian support for the establishment of Chinese military bases in Central Asia. Chinese-Central Asian military cooperation has over recent years increased somewhat, including-albeit in a fairly limited fashion-cooperation with countries such as Mongolia and Afghanistan⁷.

China and the Shanghai Cooperation Organization (SCO)

China is the SCO's main funder and is hence very interested in advancing its interests and profile in the organization. Russia on the other hand has-in view of China's rising economic influence in

⁴See e.g. D. KERR, *Central Asian and Russian Perspectives on China's Strategic Emergence*, in «International Affairs», Vol. 86, No. 1, January 2010, pp. 127-52.

⁵ One of China's seven military regions. It controls all military and armed police forces in the provinces of Xinjiang, Qinghai, Gansu, Ningxia and Shaanxi.

⁶ See S. BLANK, *The Central Asian Dimension of Chinese Military Strategy*, in «China Brief», The Jamestown Foundation, Vol. 4, No. 10, 2004.

⁷ See also S. PEYROUSE, *Military Cooperation between China and Central Asia: Breakthrough, Limits, and Prospects*, in «China Brief», The Jamestown Foundation, Vol. 10, No. 5, March 2010.

Central Asia laid its focus on the “Commonwealth of Independent States” (“CIS”) for the expansion of its economic and political ties with its Central Asian neighbours.

Regional security in general and Islamist terrorism in particular were initially China’s policy priorities in the framework of the SCO. Essentially all treaties and declarations adopted in the early years of the organization also dealt with terrorism and issues in China and Central Asian states. From Beijing’s perspective the SCO remains a key instrument to address and contain Islamist terrorism in a regional and multilateral framework with the support of the countries of interest.

Multilateral policies, Beijing usually explains its engagement in the SCO, should in the long run replace bilateral military alliances in the region⁸. The SCO today includes China, Russia, all of Central Asia except Turkmenistan, while India, Pakistan, Mongolia and Iran were included as observers in 2005. Afghanistan is engaged with SCO through a SCO-Afghanistan so-called “Contact Group”, while Turkmenistan’s policy of “absolute neutrality” continues to stand in the way of the country’s political engagement in the SCO.

Rivalry with Russia

China-Russian rivalry and differing perceptions in Moscow and Beijing of what the SCO should be and should be used for, continues to stand in the way of more meaningful and concrete multilateral cooperation in the SCO. While China does not perceive the SCO as an institution to defend Chinese and Central Asian security and military interests against external actors and blocks (the US or NATO e.g.), the organization is from a Russian perspective to be understood as such. Indeed, Russia has over and over emphasized the SCO’s function as military bulwark against Western (above all US) US in Central Asian security.

Sino-Russian competition over influence and power in Central Asia will continue to make sure that cooperation between Beijing and Moscow will above all be driven and motivated by opposition against the West as opposed to constructive and positive cooperation promoting regional economic and political integration. China’s Central Asian scholars are usually not very concerned about Russia’s reluctance or indeed refusal to engage in Central Asian multilateralism. In fact, there is an understanding amongst Central Asia analysts and scholars in China that Russia uses the SCO to monitor and control Chinese foreign and economic policies in Central Asia, which according to Chinese Central Asia scholar Zhao Huasheng reduces Russian fears of uncontrolled Chinese political and economic expansionism.

China waiting its turn

While China acknowledges that Central Asia is Russia’s “backyard” and strategic sphere of influence, Beijing is well aware that the relative loss of political and Russian economic influence in the region has in turn favoured the increase of China’s political and strategic influence. When Russia under President Putin sought to re-assert political influence and power in the region in the early and mid-2000s, Moscow was according to the Chinese scholar Shiping Tang confronted with the reality of what he calls “non-reversible” Chinese economic and political presence and influence in the region⁹.

⁸ For more details on the benefits of multilateral policies in Central Asia see e.g. G. WANG - Y. ZHENG (eds.), *China and the New International Order*, London and New York, Routledge, 2008; also E.S. MEDEIROS, *China’s international behavior: Activism, opportunism, and diversification*, Santa Monica, CA, RAND, 2009.

⁹ See S. TANG, *Economic Integration in Central Asia: The Russian and Chinese Relationship*, in «Asian Survey», Vol. 40, No. 2, March/April 2000, pp. 360-76.

Russia will-at least for the foreseeable future-remain the region's most influential political actor and it will-above all through arms sales to Central Asian governments-seek to maintain Central Asia dependence on Russian weapons and weapons technology. So far, China has stayed largely clear off selling arms to Central Asian governments, knowing that massive arms sales would inevitably lead to tensions with Russia.

There is agreement amongst Chinese Central Asian scholars that China does not view Russia but rather the US and even the EU as long-term threats to Chinese influence and power in Central Asia. While arguing that Russian influence in Central Asia is in relative decline, growing American and European interest in Central Asian energy resources and the re-vitalization of the Silk Road transport links in the years ahead, it is feared, pose a "real" danger to Chinese economic dominance in Central Asia.

Realistically however, it must be questioned whether the decline of Russian influence and power will be accompanied by a rise of US and European influence. While Washington's impact on Central Asian politics has-mainly due to its very costly decade-long war in Afghanistan arguably declined-the EU's common policies towards Central Asia are less relevant than some of the EU member states' individual (above all energy) policies towards the region. Hence, Chinese concerns about too much EU influence in Central Asia are most probably misplaced.

Beijing's policymakers and scholars are-typically off the record-generally confident that Chinese investments and growing trade links will rather sooner than later make sure that China's overall economic and political influence surpasses Russian influence in a non-aggressive way.

Whether the Russia ruled by President Vladimir Putin is willing to respond to Chinese non-aggressive overtaking non-aggressively, however, remains yet to be seen.

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