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## Chinese Strategic Co-operation with Central Asia: Continuity and Change

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### Introduction

The Central Asian region is home to a wide variety of ethnic, linguistic, religious and social groups. It is also a region that has experienced different forms of political and economic development ever since five independent states emerged following the breakdown of the former Soviet Union. Some countries, such as Kyrgyzstan, have seen the emergence of a vibrant civil society and some form of political pluralism. Others, such as Kazakhstan, have opted for economic reforms that have brought forth significant private business interests. Still others, such as Uzbekistan and – at least until recently – Turkmenistan, have chosen their separate paths of political consolidation. There is some form of popular pressure or the other on the existing regimes in region as a whole to introduce popular representative rule; however,

on the whole, there is no sign of the existing regimes conceding to such demands in any near future.

The political, economic and social diversity that exists across Central Asia and the fact that apparently traditional societies – for example Kyrgyzstan, which is often identified as a country rent with clan alliances – can also be the basis for pluralist politics, suggest that it is not conservative values and social structures that have played the primary role in propelling the region towards authoritarian government but rather it is primarily due to the interests and political actions of the ruling elites therein. In the years ahead, Central Asia is likely to become ever more diverse under the impact of internal change and external engagement which may force the governments to change their policies. Such change may offer significant opportunities for

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promoting an agenda of reform and modernisation. In this context, it is interesting to study the Chinese policy of deeper engagement with central Asian states and its impact on the long term future of these states in the region. The paper argues that there are five particular sources of dynamism that are likely to propel reformist agendas. The five sources are: economic change, generational shifts, geopolitical influences, new asymmetries in Central Asia and consistent Chinese policy towards the region.

### **Economic Change**

In the recent years, the economies of Central Asia have experienced significant growth, although from low starting points, driven primarily by rising prices of the natural resources available in the region. Hydrocarbon exports have played an important role in this change. As a result, parts of Central Asia which are rich in hydrocarbon are set to experience high economic growth. Perhaps most significantly, Kazakhstan is emerging as the most wealthy and most dynamic economy among all the republics in the region. Growth of indigenous economic resources in other Central Asian states also offers new opportunities to promote a climate which is likely to encourage investment, marketisation and economic

integration among the countries in the region.

### **Generational Shifts**

While the population of Central Asia remains predominately poor, there are important changes underway across the region. Sizeable and influential groups are emerging in the region and are pressing for inclusive, democratic and plural political orders that can accommodate their own aspirations and enable them to play a more active role in political processes in different countries. Central Asia is also witnessing the emergence into adulthood of the first truly post-Soviet generation. The desire for access to education including international higher education is stronger than ever. Many of those who have experienced post-Soviet education, especially abroad, hold significantly different views on the future of the region from the Soviet generation currently in power in the region. Strengthening links between the emerging generations in Central Asia and the China –principally through education – is likely to be one of the most important long-term agents for reform in the region.<sup>1</sup>

### **Geopolitical Influences**

During the first decade of their independence, the countries of

Central Asia pursued policies to consolidate their statehood by balancing relations between the former Soviet hegemony (Russia) and the other international actors. At the same time they also sought to strengthen their position within the international system. The growing role of the Russian Federation and China in Central Asia in recent years points to a qualitative shift from the post-Soviet period and threatens to undermine the multisectoral foreign policies of the countries in the region. Anxious to avoid a return to external domination, some Central Asian governments (for example Uzbekistan currently) are seeking the involvement of other significant international actors in the region to help balance the role of Russia and China. Some countries (notably Kazakhstan) are also looking towards external actors to help with their integration into the competitive global economy. Here China has a clear opportunity because of the unanimous desire among Central Asian countries to draw China into the region.<sup>2</sup>

### **New Asymmetries in Central Asia**

The political, social and economic changes occurring in Central Asia today – and that are likely to accelerate in the future – are creating new asymmetries in the region.

These shifts will create new challenges – migration, greater inequality – and also new opportunities. Kazakhstan's rise threatens to eclipse Uzbekistan internationally and perhaps even Tashkent's role in Central Asia. Thus the relationship between Kazakhstan and Uzbekistan will play a critical role in this regard in determining the shape of regional cooperation in future<sup>3</sup>

Kazakhstan has indicated a willingness to pursue reform in cooperation with China and past reforms have created an internal dynamic for change within the country. This is likely to provide a basis for China to strengthen reform in the region and to underline that the policies pursued by the leadership in Uzbekistan risk leading the country to marginalization.

### **Consistent Chinese policy**

Debate continues among specialists of Chinese foreign relations as to whether or not Chinese foreign policy and behaviour in the post-Cold War period reflect a coherent strategy that is likely to continue, or reflect sometimes contradictory goals and circumstances that would change and in turn change the direction of Chinese foreign policy and behaviour. This assessment shows that policy contradictions and emerging

circumstances that could change Chinese foreign policy and behaviour seem less salient in China's approach to Central Asia than in other areas of Chinese foreign relations. As a result, domestic continuity in China's strategy toward the region seems likely for some time to come.<sup>4</sup>

### **Debate over China's Strategy in Foreign Affairs**

An outpouring of books, articles and analyses by scholars and specialists deal with the ever expanding Chinese interaction with the outside world through economic exchanges in an era of globalization, and broadening Chinese involvement with international organizations dealing with security, economic, political, cultural and other matters. They demonstrate a continuing trend toward greater transparency in Chinese foreign policy decision making and policy formation.

In general, Chinese leaders are seen to be focused on promoting China's economic development while maintaining political and social stability in China. These efforts underline a fundamental determination of the Chinese Communist Party (CCP) administration to reinvigorate and sustain its one-party rule in China. Foreign policy is made to serve these objectives by sustaining an

international environment that supports economic growth and stability in China.<sup>5</sup>

This is done partly through active and generally moderate Chinese diplomacy designed to reassure neighbouring countries and the other concerned powers, notably the United States, the dominant world power in Chinese foreign policy calculations. Chinese efforts try to demonstrate that rising Chinese economic, military and political power and influence should not be viewed as a threat, but should be seen as an opportunity for greater world development and harmony. In the process, Chinese diplomacy gives ever greater emphasis to engagement and conformity with norms at the regional and international levels as a means to reassure those concerned with possible negative implications of China's increased power and influence.

Chinese foreign policy places great emphasis on seeking international economic exchange beneficial to Chinese development. China has become the centre of a variety of intra-Asian and other international manufacturing and trading networks that have seen China emerging as the world's third largest trading nation and a large or the largest consumer of a variety of key world

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commodities and raw materials, notably oil. China today depends fundamentally on a healthy world economy in which Chinese entrepreneurs promote economic development as an essential foundation for continued rule of the CCP administration.<sup>6</sup> At the same time, the world economy depends increasingly on China. China is a key manufacturing centre for world markets and an increasingly prominent trading nation with a positive balance of trade and the largest foreign exchange reserves in the world.

Chinese nationalism and Chinese security priorities are also important determinants in contemporary Chinese foreign policy. The CCP administration has placed greater emphasis on promoting nationalism among Chinese people as communism has weakened as a source of ideological unity and legitimacy.<sup>7</sup> Nationalism supports the CCP administration's high priority to prevent Taiwan independence and protect Chinese territorial claims. Chinese leaders build advanced military power and voice determination to take coercive measures to achieve nationalistic goals. More broadly, Chinese leaders seek to build what they call "comprehensive national power"—particularly economic, military, and

political power—as China seeks an as-yet-not- clearly-defined leading role as a great power in Asian and world affairs.

The end of the Cold War, with the collapse of the USSR, and improvement in Russia-China relations defined post-cold war Chinese policy and behaviour toward Central Asia. On the one hand, the Post-Cold War developments resulted in the creation of new states, reduced Moscow's influence, and opened avenues for spreading Chinese interests and on the other the collapse of the USSR also created a power vacuum that posed problems for Chinese security generally preoccupied with affairs at home and seeking to stabilize and advance relations with newly independent Central Asian states, as much for defensive reasons as for reasons of expanding Chinese influence and interests. For over a decade, China's more active interaction with the former Soviet republics in Central Asia, notably through regional groups such as the Shanghai Five, and its successor, the Shanghai Cooperation Organization (SCO) began in 2001, which sought to avoid posing serious challenge to Russian interests in the region and endeavoured to strengthen cooperation among China, Russia and Central Asian states in ways that

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tried to exclude the United States and curb Western influence. The US-led global war on terrorism and the toppling of the Taliban regime in Afghanistan in 2001 had a major effect on China's influence in Central Asia. The stronger US military presence and strategic influence in Central Asia meant that China's relative influence would remain secondary to that of the US and Russia. Chinese leaders adjusted pragmatically to the new situation.<sup>8</sup> They continued to pursue their policy of improving relations with the Central Asian governments through incremental efforts. China's diplomacy over the years has proved quite effective in strengthening bilateral relations through multilateral forums like the SCO, which is quite visible in growing trade relations, and increasing Chinese presence in Central Asian oil and gas sector.

Chinese leaders have pursued their interest with care without significant conflict, and they have ensured continuity and durability in China's approach to the region. Notably, in contrast to the Chinese approaches in eastern and southern Asia, there has been less tension between China's emphasis on promoting peace and development abroad and Chinese national security, territorial, and national unification

objectives that emphasize China's use of force against foreign threats in ways that alienated and alarmed some of China's neighbours in south east and south Asia.

China has pursued its varied security and economic interests of in the region with absolute care and finesse. It has sought to demarcate, demilitarize and stabilize borders with Russia, Kazakhstan, Kyrgyzstan, and Tajikistan. The stabilisation of borders has been central to Chinese development plans and foreign policy priorities.<sup>9</sup> China also has sought to curb outside support to separatists in Xinjiang province. It has tried to strike common ground with regional governments on the issue of terrorism, drug trafficking and other cross-border criminal activities.

China's main economic interest in the region is developing easy access to energy from the region. It has sought partnership with countries with known energy reserves in Central Asia. Kazakhstan has especially emerged as a promising partner.

China's engagement with Central Asia, and specifically the SCO, is part of China's overall effort to foster a stable and productive international environment around China's periphery while fostering a more widely accepted (and acceptable)

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Chinese leadership role. Through Beijing's relations with Central Asia it also aims to advance Chinese position on major international issues, strengthen relations with Russia, and serve as a counter to US power and influence. China's diplomacy in Central Asia also aims at preventing the region from becoming an unnecessary distraction for China in future.

One of the reasons why China's administration has been able to develop and sustain a coherent approach in post-Cold War Central Asia is that it faces less competition for its efforts in the region. Moreover, its adverse relationship with southern and south eastern Asia does not have any bearing on its relationship with the region. For example, Taiwan is insignificant in Central Asia. Chinese threats to use force against Taiwan separatism have much less disruptive impact on China's Central Asian neighbours than they do elsewhere around China's periphery. Japan's role in Central Asia also is relatively small. China's sometimes strident reactions over disputes with Japan have less disruptive impact on China's relations with the Central Asia's neighbours than on Chinese relations with neighbours in other parts of China's periphery.

In that sense, the upswing in US military presence and its influence in Central Asia after the 9/11 terrorist attack on America was an important change in China's strategic calculus in Central Asia. However, its overall impact has been offset by the fact that the foundation of the US power in Central Asia is much weaker than in other parts in China's periphery. The relatively low levels of US aid and official involvement in the region, and Russia's continued leading importance among the Central Asian republics also has diminished Chinese concerns about the US military presence and influence in Central Asia.<sup>10</sup>

Meanwhile, changes in Chinese foreign policy and behaviour influenced by Chinese leaders' lack of confidence and uncertainty in their legitimacy at home and abroad have not affected Chinese policies much in Central Asia than in the other regions. Part of the reason is that the Chinese administration has been successful in keeping Chinese media and other public attention removed from territorial and nationalistic issues with Central Asian neighbours. The authoritarian regimes in Central Asian states have on their part endeavoured to deal constructively and pragmatically with China over territorial and other

disputes, a contrast with the nationalistic posturing of some of China's eastern and southern neighbours.<sup>11</sup>

### **Sources of Uncertainty**

However, even though the China's strategy towards Central Asia seems stabler than in other areas of Chinese foreign relations, there remain significant uncertainties clouding the longer term outlook. For one thing, analysts are divided on China's long-term goals in the region. Some emphasize strongly that the prevailing Chinese interest in regional stability and energy trade will remain the core determinant of Chinese policy and will reinforce continuity in Chinese policy and behaviour. However, others argue that recent accommodating and moderate Chinese policies presage the emergence of a Central Asian order dominated by China that will be reminiscent of the Sino-Central Asian relationship during the strong dynasties in the Chinese history.<sup>12</sup>

Meanwhile, China's influence in Central Asia and developments in the region depend heavily on the power and policies of Russia. The Russian weakness in the 1990's provided the opportunity for expanding Chinese influence in Central Asia and it was facilitated by Russian inclination to cooperate

closely with a rising China on trade, including arms trade, and a variety of other international issues.

Under the leadership of Vladimir Putin, Russia endeavoured to rebuild elements of national strength and to use them to reassert Russian interests against those perceived as encroaching on Russian interests. Thus far, the Russian relationship with China has remained generally cordial and cooperative, though Russia-China competition for influence in Central Asia and over other issues continues at the subterranean level. If China were to be seen to seek regional dominance in Central Asia, Russia might adopt more competitive and perhaps confrontational policies that would have a major impact on China's existing approach to the region.<sup>13</sup> At the same time, if Russia successfully pursues a more assertive leadership role in the region, China's leaders presumably would be forced to choose between accommodating rising Russian power and possibly losing Chinese influence, or resisting the Russian advances.

### **The SCO and China's Strategic Objectives**

The Shanghai Cooperation Organisation (SCO), founded as the Shanghai Five Forum in 1996, is now gaining importance in regional and

global security, strategic and economic issues. The six members of the SCO are China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. In 2005, Iran, Pakistan, India and Mongolia joined as observers. The Shanghai Five was founded mainly for demarcating borders between China and the Central Asia Post-Soviet states. In recent years, its role has expanded to focus on combating cross-border crimes and the so-called "three evil forces" of terrorism, separatism, and religious extremism.

The Organisation is of critical importance to China's foreign policy in Central Asia as China seeks to use the platform to secure peace and harmony in its northwest backyard and expand economic and strategic interests. China is also actively promoting economic cooperation in the SCO to gradually build a common market among the member states. Beijing hopes that economic integration will enhance the cohesiveness of the organisation.

China also views the organisation as an important platform to improve its energy security. China recently spent some US\$6 billion to acquire oil and gas fields in Kazakhstan and constructed a 1,000 km-long oil pipeline from Kazakhstan to the western Xinjiang region.<sup>14</sup> Oil and

gas constitute the most essential economic and strategic reasons for China to engage with the Central Asian states. China's increasing domestic demand for energy is compelling Chinese leaders to aggressively search for new energy suppliers.

The money pumped into Central Asia by Beijing over the past year or so, via corporate takeovers, joint ventures and direct economic assistance, begs the question whether Chinese leaders are attempting to create a traditional 'vassal' relationship between China and the Central Asian states through investment, trade and military.

### **China takes the lead in strategic Cooperation in Central Asia**

Since the collapse of the Soviet Union, till about September 11, 2001, China was able to use its security concerns within the Xinjiang Uighur Autonomous Region to build alliances with the newly formed states of Central Asia. Russia's domestic concerns and the United States' focus on fostering democratic principles in the new states allowed China to form multilateral organizations favourable to its concerns and establish economic ties with its neighbouring states in the west. These conditions were of great

importance to Beijing's strategies for containing separatist movements within Xinjiang.

China's attempts to adapt to the new environment were initially met with mixed results. Beijing tried to link the Xinjiang separatists to the US "war on terrorism", but even after a Uighur militant group was placed on the official US list of terrorist organizations, Washington was generally cool over the Uighur issue. China continued with its efforts to establish economic and cooperative security ties with Russia, Tajikistan, Kazakhstan, Kyrgyzstan and Uzbekistan in order to contain the Uighur militants, reinforce Beijing's claim over the Xinjiang region and prevent any possible strategic "encircling" by the United States. Moscow has so far welcomed China as a competitor with the US in the region. Should China be successful in this strategy, it would have profound effect on the geopolitical environment of Central Asia.

### **China's move toward regional dominance**

By 1996, Russia was prosecuting its second war with Chechnya, Tajikistan was still suffering from its civil war and the Uzbek government of Islam Karimov was dealing with Islamic fundamentalists seeking to establish an Islamic government in

Uzbekistan. China feared that this instability would spread to Xinjiang, and Beijing launched a series of crackdowns and a controversial "strike hard" campaign to re-establish order. In the process, 1,700 suspected "terrorists" were arrested.<sup>15</sup>

In April 1996, China sought to engage its western neighbours by creating the "Shanghai Five" - comprising China, Russia, Tajikistan, Kazakhstan and Kyrgyzstan - to serve as a bulwark against Islamic fundamentalist subversion. Soon the signatory states began cooperating in an effort to end the "three evil forces"—terrorism, separatism and extremism. China's new aggression was answered with a backlash from the Uighur separatists. In May 1996, a high-ranking official to the Xinjiang People's Political Consultative Conference was assassinated and a number of bombings on China's railroad lines were linked to Uighur groups. When Afghanistan fell to the Taliban in September 1996, some Uighur groups fought on the side of the Taliban. China charged the Taliban and al-Qaeda with funding, arming and training Uighurs within Afghanistan. This was followed by more attacks within Xinjiang against Chinese interests. By late 1998, China feared that violence in Xinjiang was spiralling out of control, and Beijing

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moved to increase its regional influence in Central Asia.

China's move toward greater regional authority was met with little resistance from the US at the time and with tacit cooperation from Russia. In the summer of 2000, US secretary of state Madeleine Albright visited Central Asia, and offered US\$16 million in assistance to the Central Asian states to promote the establishment of democracy and pluralistic societies.<sup>16</sup>

Tajikistan, Kazakhstan, Kyrgyzstan and Uzbekistan viewed this as an indirect disapproval of undemocratic regimes in the region and their priorities were rather focused on funding for security issues. China's anxiety over the Xinjiang region was more in line with the interests of the Central Asian states, and Beijing was able to use this convergence of concerns to increase its regional profile.

In June 2001, Uzbekistan was admitted to the "Shanghai Five", which then evolved into a permanent group called the Shanghai Cooperation Organization (SCO). The coalition worked to prevent Kazakh and Uighur separatists from using Asian states as a safety zone to plot separatist activities, and it established an anti-terrorist centre in Bishkek, Kyrgyzstan, where the

member states could better coordinate their efforts. During this time, China's relationship with Washington was becoming strained as the two states drifted towards becoming "strategic competitors".

Tensions were building over the plans by the new US administration of President George W Bush for a national missile defence system, the US arms sales to Taiwan, the EP-3 spy-plane collision near Hainan Island, Chinese missile exports to Pakistan and frequent complaints about China's record on curtailing religious freedoms and human rights. Washington and other Western powers viewed China's claims that Uighur groups were tied to international terrorist organizations as propaganda and an excuse to persecute political dissidents.<sup>17</sup>

In this new environment, China tried to link its efforts to suppress the Uighur separatists to Washington's "war on terrorism" as a way of engaging the Bush administration with the hopes of maintaining Beijing's prominent role in Central Asia. On October 12, 2001, a Chinese Foreign Ministry spokesman said, "We hope that our fight against the East Turkestan [Xinjiang] forces will become part of the international effort against terrorism." Washington dismissed the ties between Uighur

separatists and Al-Qaeda in an effort to isolate China's interests from those of the other SCO members. In October 2001, President Bush said China should not attempt to use the "war on terrorism" as an "excuse to persecute minorities".

Since 2003, China has been working to re-establish the importance of the Shanghai Cooperation Organization and has expanded economic ties with the Central Asian states, while the US has shifted resources out of Central Asia and into Iraq. Kazakhstan and China began negotiating trade agreements to supply natural gas to China via a pipeline through Xinjiang. China has also increased its funding for the anti-terrorist center in Bishkek in an effort to decrease the importance of bilateral agreements with the United States in shaping the member states' foreign policies. China and Pakistan have held joint military exercises focused on counter-terrorism and held them mostly in the southern section of Xinjiang near Kashgar, the region with the highest population of

Uighurs in Xinjiang.

### **Conclusion**

While China moves to assert its power in Central Asia by getting closer to its neighbouring states in the region, the US has largely focused its relationship with China on issues in the Taiwan Strait and the Korean Peninsula. Russia's concerns in Chechnya will drive its approach to the region, but with limited resource and domestic concern taking a priority in the Russian government's response, Moscow is likely to be content with the existing structure of the SCO, and allow China to consolidate its influence in the region. This environment provides China with an opportunity that it will not miss to prevent the US from encircling China along its western borders. Washington's decision to thin down its diplomatic and military resources in Central Asia in the wake of its decision to pull out from Afghanistan by 2014, it remains to be seen how serious Washington is in controlling events in Central Asia and how concerned it is with the growing Chinese strategic footprints in the region.<sup>18</sup> ■

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