

# CHINA-CENTRAL ASIA TIES UNDER XI JINPING

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## BACKGROUND

China characterises its relations with Central Asia as being ‘based on win-win cooperation’, an often-repeated statement, which was reiterated in the speech of the Chinese President, Xi Jinping, at the nineteenth National Congress of the Chinese Communist Party (CCP) in 2017. He stated, “China remains firm in its commitment on strengthening friendship and cooperation with other countries based on the Five Principles of Peaceful Coexistence, and to forging a new form of international relations featuring mutual respect, fairness, justice, and win-win cooperation.”<sup>1</sup> Since the collapse of the Union of Soviet Socialist Republics (USSR), ties between China and the Central Asian Republics (CARs) have been beneficial to both sides in varying degrees. While China has been able to settle its border disputes with the post-Soviet states and, subsequently, secure its border on the western side in the 1990s, the Central Asian Republics have also

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1. “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era”, speech delivered by Xi Jinping at the 19th National Congress of the Communist Party of China, *Xinhua*, October 18, 2017, [http://www.xinhuanet.com/english/download/Xi\\_Jinping's\\_report\\_at\\_19th\\_CPC\\_National\\_Congress.pdf](http://www.xinhuanet.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf). Accessed on November 1, 2017.

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been accruing economic benefits out of their partnership with China.

Central Asia has occupied a significant place in China's regional policy in general and the Chinese peripheral policy in particular. It will not be an overstatement to say that President Xi Jinping has been more proactive in engaging the Central Asian Republics than his predecessors. While his predecessors mostly focussed on border security, energy cooperation, limiting the United States' influence, and strengthening economic ties, Xi has gone a step further by

making Central Asia the focal points of the Silk Road Economic Belt (SREB), the land component of the ambitious and much-talked-about One Belt, One Road (OBOR), which is officially known as the Belt and Road Initiative (BRI). Xi Jinping visited Central Asia in 2013, and announced that the revival of the ancient Silk Road would begin from the region. During his visit, he emphasised the importance of cordial relations with Central Asia:

Over the 20-plus years, the ancient Silk Road is becoming full of new vitality with the rapid development of China's relations with the Asian and European countries. It is a foreign-policy priority for China to develop friendly cooperative relations with the Central Asian countries. We hope to work with the Central Asian countries to unceasingly enhance mutual trust, to consolidate friendship, to strengthen cooperation, to push forward common development and prosperity, and work for the happiness and well-being of the people in the regional countries.<sup>2</sup>

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2. "President Xi Jinping Delivers Important Speech and Proposes to Build a Silk Road Economic Belt with Central Asian Countries", Ministry of Foreign Affairs of the People's Republic of China, September 7, 2017, [http://www.fmprc.gov.cn/mfa\\_eng/topics\\_665678/xjpfwzysiesgjtfhshzzfh\\_665686/t1076334.shtml](http://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpfwzysiesgjtfhshzzfh_665686/t1076334.shtml). Accessed on September 7, 2018.

Under the Xi administration, China has become more upbeat as well as confident while dealing with countries in its neighbourhood and beyond. The country that was once insecure with respect to its borders with Central Asia, has come to shape the dynamics of the region. China's efforts to establish unhindered relations with Central Asia have been underway since the 1990s. In the aftermath of the Tiananmen Square incident, China began to focus on improving as well as strengthening its relations with its neighbouring countries and Central Asia was at the centre of its policy.

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Chinese leaders have made deliberate efforts to formulate an *Integrated Peripheral Policy*, sometimes interchangeably known as *Good Neighbourly Policy* aimed at "exploring common grounds with neighbouring countries in the economic and security domains, thereby conveying the image of China as a responsible international actor willing to contribute towards greater stability and cooperation in its neighbourhood".<sup>3</sup> The Central Asian region has been an important component of China's peripheral policy. Although China has extended its outreach to countries across the world, a prominent Chinese scholar, Wu Xinbo has opined, "China is still a country whose real interests lie mainly within its boundaries, and to a lesser extent, the Asia-Pacific region, where developments may have a direct impact on the country's national interests."<sup>4</sup> Therefore, since the 1990s, Beijing's strategy towards the Central Asian Republics has been to "develop normal and friend-neighbourly relationships; negotiate and resolve boundary disputes with three of them;

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3. Zhiqun Zhu, *China's New Diplomacy: Rationale, Strategies and Significance* (England: Ashgate, 2010), p. 111.

4. Wu Xinbo, "Four Contradictions Constraining China's Foreign Policy Behavior", in Suisheng Zhao, ed., *Chinese Foreign Policy: Pragmatism and Strategic Behavior* (Armonk, NY: M.E. Sharpe & Co. Inc., 2004), p. 58.

expand economic ties with these countries and seek their cooperation in preventing the rise of fundamentalism and ethnic separatist elements from spreading into the Xinjiang Uyghur Autonomous Region (XUAR)."<sup>5</sup> Though China has been expanding its influence to all its neighbouring countries, its influence (at least economic in terms of aid and loans) in Central Asia has remained unmatched. Moreover, China's image in Central Asia has improved significantly, at least among the leadership of the region; whereas it is still viewed with caution in the South and Southeast Asian regions. China enjoys cordial relations with all the five Central Asian countries, which, in a way, has contributed to its regional and global image.

### **CHINA'S EVOLVING CENTRAL ASIA POLICY**

Soon after the USSR disintegrated, China preferred to resolve the outstanding issues with the post-Soviet states. After resolving the border disputes, when China began to inch closer to the Central Asian Republics, the common perception was that it was mainly due to the United States' growing presence in China's neighbourhood and Russia also being uncomfortable with the United States' presence. However, it is important to note that China's interest in the region was not just limited to balancing Russia or checking the United States' power in Central Asia.<sup>6</sup> China's engagement with the countries of the region was particularly important because China was confronted with prolonged boundary disputes with the weaker and vulnerable countries towards its western side. Major objectives behind this engagement were to project its benign image as also shift its focus on the domestic issues. It was easier for China to negotiate with the weaker Central Asian countries than the united USSR. Therefore, it took no time in resolving the boundary disputes with Kazakhstan, Kyrgyzstan and Tajikistan, and, of course, Russia through the Shanghai Five mechanism. A careful analysis of the events that unfolded between China and the Central Asian Republics

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5. Jing-Dong Yuan, "China's Role in Establishing and Building the Shanghai Cooperation Organization (SCO)", *Journal of Contemporary China*, vol. 19, no. 67, 2010, p. 857.

6. Stephen Blank, "Dragon Rising: Chinese Policy in Central Asia", *American Foreign Policy Interests*, vol. 33, 2011, p. 261.

reveals that the boundary negotiations and eventual settlement of the same was in the interest of both China and the Central Asian Republics. What is more, it led to the realisation of overall peace and stability along China's borders with the Central Asian Republics, in turn, ensuring security at its volatile border and inside Xinjiang. During the initial years, Central Asia was undergoing volatile changes (the Andijan massacre in Uzbekistan and colour revolution in Kyrgyzstan), increasing military presence of the United States, economic turmoil, increasing interventions from the major powers, and competition for resource extraction in the region. Under such circumstances, China's initiative to work with the countries of the region for mutual benefit, without any attempt to impose political ideologies, turned out to be a charm offensive. It became a 'win-win situation' for both China and its Central Asian neighbours.

In the aftermath of the Cold War, neighbours of the erstwhile USSR, looked at the newly independent countries with scepticism as to whether the newly independent countries would be able to survive the pressures coming in from all sides, viz. economic, political, institutional, societal, and at all levels—national, regional, and international. Under such circumstances, it was obvious for China and the countries of the Central Asian region to focus more on security and stability than any other issue. China, which was almost ostracised by the major countries of the West on the grounds of brutal oppression of its own people fighting for democracy at the Tiananmen Square, was also looking for opportunities to project itself as a civilised country, with credentials to live peacefully with other countries in the neighbourhood. It may be noted that during the Cold War years, China was feared for its attempts to engineer political coups in countries in the neighbourhood. This was particularly true of the Southeast Asian region, where countries of the region had come together to form the Association of Southeast Asian Nations (ASEAN), and the Southeast Asian Treaty Organisation (SEATO) under the security leadership of the United States. In 1992, China initiated negotiations with the Central Asian countries, which was followed by a series of meetings. The big break in terms of realising the regional security

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architecture happened on April 26, 1996. On that landmark day, China got into a partnership with Russia, Kazakhstan, Kyrgyzstan and Tajikistan to sign the "Treaty on Deepening Military Trust in Border Regions" in Shanghai, China. It was also decided that the signatory countries would meet annually. This annual feature later came to be known as the "Shanghai Five". The framework of the Shanghai Five obligated all the member countries to ensure that the disputes regarding the western section of the former China-Soviet border, "a region that bred instability and conflict for centuries", were completely resolved

within just six years.<sup>7</sup> Chinese diplomacy regarding the Central Asian Republics was influenced by its growing ties with Russia through the 1990s. For China, one of the driving motivational forces was that the Central Asian region could function as a place where China, Russia, and the independent republics could work together to jointly address issues of mutual interest<sup>8</sup> and shared concerns.

That Central Asia occupied an important place in the regional policy of all the Chinese leaders is not an overstatement. In fact, as soon the USSR disintegrated, China began to seriously devise its Central Asia policy. In this context, China's Central Asia policy may be divided into three phases. The first wave of the policy began as soon as the USSR disintegrated in 1991. Throughout the 1990s, the major focus of China was

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7. Niu Rijun, "Good Good Neighbourhood and Cross-Border Cooperation between China and Central Asian States", Northwest Ethnic Minorities Research Centre, Xinjiang University, Urumqi, 2010, p. 2.

8. Hassan H. Karrar, *The New Silk Road Diplomacy: China's Central Asian Foreign Policy Since the Cold War* (Vancouver: UBC Press, 2009), p. 1.

on resolving the protracted boundary disputes with Central Asia and Russia and ensuring that the vulnerability in the newly-independent Central Asia did not affect the already volatile Xinjiang. It wanted to gain the support of the Central Asian governments in keeping a check on the Uyghur diaspora's support to extremists in Xinjiang. The formation of the Shanghai Five was an important feature of the first phase of China's Central Asia policy. Now that there was no threat from the USSR, the second objective was to focus its attention and resources on Taiwan. The first phase lasted till 2000. The second wave of China's Central Asia policy began in 2001 when the Shanghai Five expanded to become the Shanghai Cooperation Organisation (SCO). The induction of Uzbekistan, which does not have a common border with China, into the grouping was an important development. This was indicative of the fact that China was moving beyond border security. Diversification of its energy sources and preventing the countries of the region coming under the influence of the United States were major objectives for China in the second phase. The China-Russia partnership in Central Asia also bloomed during the second phase. It is noteworthy that China, till now, has not attempted to displace Russia from its position of the major power in the region; it is not in China's best interests. On the contrary, it suits China to work with Russia in the region. The third wave of China's Central Asia policy began in 2013 when Xi came to the region on his maiden visit, and announced the initiation of the Silk Road Economic Belt (SREB) in Kazakhstan. His announcement implied that Central Asia was indeed, at the core of the land component of the BRI. Xi visited four out of five Central Asian Republics in September 2013: Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan. This phase also witnessed the consolidation of China's multilateral efforts in

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the region. Membership of the SCO was also expanded with the induction of two South Asian countries: India and Pakistan.<sup>9</sup>

China's relations with Central Asia have come a long way and it has become an important partner of the Central Asian Republics. However, when the USSR collapsed, Central Asia still viewed China through the Soviet lens and considered it a threat. Establishing direct bilateral relations with Beijing has required overcoming several extremely negative clichés about China put up by Soviet propaganda, clichés that reinforced the Central Asian societies' already long-standing apprehensions about their large neighbour.<sup>10</sup> China-Central Asia bonhomie would not have been possible without China-Russia rapprochement. Central Asia has been prominently known as Russia's backyard and comes under the Russian sphere of influence. China's entry into Central Asia was made possible because of Russia's willingness to partner with it in the region. Despite their enmity throughout the Cold War period, China and Russia attempted to improve relations in the aftermath of the USSR's break-up. In the 1990s, China resolved the boundary dispute with Russia, and in 1996, both countries signed the Strategic Cooperation Agreement. Subsequently, in 1997, China and Russia adopted the "Joint Declaration on a Multipolar World and the Establishment of a New International Order". This was followed by the Treaty of Good Neighbourliness, Friendship and Cooperation in 2001. In 2012, the relations evolved into "Comprehensive Strategic Partners of Coordination"; and, later, in June 2019, both sides further expanded their relations to "Comprehensive Strategic Partnership of Coordination for a New Era".

China had several reasons to improve relations with Russia in the context of Central Asia. The first was not to divert its attention from Taiwan. For this, China had to resolve its differences with the other countries. It became important for China to demilitarise its border with Russia and Central Asia.

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9. The author has written about the three phases of China's Central Asia policy in Sana Hashmi, "China-Central Asia Relations: Centrality of the Shanghai Cooperation Organisation", in M. S. Pratibha, ed., *East Asia Strategic Review: China's Rising Strategic Ambitions In Asia* (New Delhi: Pentagon Press, 2018), pp. 191-206.

10. Sébastien Peyrouse, "Discussing China: Sinophilia and Sinophobia in Central Asia", *Journal of Eurasian Studies*, vol. 7, 2016, p. 14.



Additionally, to limit the United States' influence, it preferred to engage with Russia. The second, engagement with Russia was vital in terms of alleviating the scepticism of the Central Asian countries. This promoted a benign image of China in the region as by cooperating with the erstwhile adversary, China was actually accommodating the interests of the other parties and, thereby, refuting the 'China threat theory'. The third, while Russia was politically and militarily more influential in Central Asia than China, the latter had the economic wherewithal to improve the internal situation in Central Asia and keep instability at bay. Russia also had more reasons to cooperate with China than countering it in the region. Due to its interests in Central Asia, China has been able to position itself as the second most influential external actor in the region, surpassing Russia in economic terms, but not in strategic or cultural ones.<sup>11</sup> Nonetheless, the growing perception is that China's influence is likely to grow in the coming years, perhaps even to a point where Beijing will dominate the area.<sup>12</sup> However, in the current scenario, it is not in China's interest to provoke Russia in Central Asia as its objective is not to dominate the region but to achieve its domestic as well as regional goals, mostly with Russia's cooperation.

### ECONOMIC TIES

China-Central Asia relations are multifaceted and priority has been given to areas such as counter-terrorism and energy trade. Their commercial ties have been low-key. This is also because of lack of information in the public domain, as is always the case with obtaining statistics from China. The Central Asian countries are also not very transparent when it comes to providing statistics. There are several reasons for the lack of information:

First, the Central Asian states do not publish information on cross-country trade. On this issue, they follow the Soviet tradition and prefer not to strengthen the role of China to a public opinion which could be adverse.

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11. Ibid., p. 15.

12. Andrew Scobell, Ely Ratner, Michael Beckley, *China's Strategy Toward South and Central Asia: An Empty Fortress* (Santa Monica: RAND, 2014), p. xi.

Second, the Chinese authorities, for their part, do not try to heavily advertise their activities in the region and are quite comfortable with a lack of transparency in economic relations. Third, nearly the entire trading system of China with the Central Asian republics is based on corruption and criminal schemes involving high ranking political and economic elites. Objective publicity on this issue could openly reveal the flaws in cross-trading mechanisms and paint a real picture of the existing political order in Central Asia.<sup>13</sup>

From the establishment of the Central Asian Republics till 1998, trade turnover between Central Asia and China was quite limited, around US\$ 350 to 700 million each year, but the volume started growing after the 1998 financial and economic crisis, and during the period 2000-03, trade between China and Central Asia more than tripled, increasing from US\$ 1 billion to US\$ 3.3 billion.<sup>14</sup> The starting point for intensification of trade relations was the economic crisis in Russia, as in the period 2004-06, there was steady growth in trade turnover, with an overall increase of 150 per cent, from US\$ 4.3 billion to US\$ 10.8 billion.<sup>15</sup> In comparison to Russia, the trade between China and Central Asia grew more dynamically, and from 1992 to 2006, the trade turnover between Russia and Central Asia grew by a factor of 2.3 while that between China and Central Asia grew by a factor of 25.6.<sup>16</sup> In 2010, China surpassed Russia to become the largest trading partner of the region.

China and the countries of Central Asia have complementary advantages that offer the possibility of extensive cooperation; for China, the energy resources, metals, leather goods and other commodities, as well as the raw materials and markets of Central Asia, are very important, whereas China's industrial, consumer and agricultural products and markets hold a strong

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13. Sadykzhan Ibraimov, "China-Central Asia Trade Relations: Economic and Social Patterns", *China and Eurasia Forum Quarterly*, vol. 7, no. 1, 2009, p. 47.

14. *Ibid.*, p. 48.

15. Vladimir Paramonov and Aleksei Stokov, "Economic Involvement of Russia and China in Central Asia", Conflict Studies Research Centre, Defence Academy of the United Kingdom, p. 2.

16. *Ibid.*

attraction for the countries of Central Asia.<sup>17</sup> As far as investments are concerned, according to the International Monetary Fund (IMF), starting with US\$ 1 billion investment in the region in 2000, it has spent up to US\$ 50 billion in trade and investments in the region.<sup>18</sup> From developing its western border regions, so as to ensure its capabilities for trade, to building infrastructure like highways, pipelines, and railways throughout the region via the SREB initiative, China is determined to secure the region as its own zone of economic interest and appears to be achieving this goal.<sup>19</sup>

## XINJIANG

Xi's idea of connectivity is about connecting Asia with Europe, with China at the core. However, increased connectivity also facilitates factors of instability: guns and drugs are smuggled into China through the burgeoning trade routes. Beijing has also for long been wary of engagement between its Muslim-dominated provinces—Xinjiang and Ningxia—and the Muslim world in Central Asia and West Asia due to fears of importing instability.<sup>20</sup> These potential challenges, coupled with the existing ones, are making the Chinese Communist Party (CCP) more insecure about its domestic problems in the western provinces. Xinjiang is one of the most restive regions in China, and Xi, like previous leaders of China, considers separatism by Xinjiang one of the most pressing challenges the CCP has to deal with. He has called for a “great wall of iron” to safeguard the restive western region of Xinjiang.<sup>21</sup> The State Commissioner for Counter-Terrorism

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17. Sun Zhuangzhi, “The Relationship between China and Central Asia”, January 2007, p. 41.

18. Victoria Kelly-Clar, “Why is Central Asia Dumping Russia for China”, *Global Risk Insights*, May 23, 2016 <http://globalriskinsights.com/2016/05/why-central-asia-is-dumping-russia-for-china/>. Accessed on December 2, 2017.

19. Ibid.

20. Evelyn Goh, “How China’s Belt and Road Build Connections?”, *East Asia Forum*, January 4, 2018, <http://www.eastasiaforum.org/2018/01/04/how-chinas-belt-and-road-builds-connections/>. Accessed on January 5, 2018.

21. Quoted in “China’s Xi Calls for Great Wall of Iron to Safeguard Restive Xinjiang”, *Reuters*, March 10, 2017, <https://www.reuters.com/article/us-china-security-xinjiang/chinas-xi-calls-for-great-wall-of-iron-to-safeguard-restive-xinjiang-idUSKBN16H04J>. Accessed on December 6, 2017.

**Economic cooperation and trade exchanges have been important for China-Central Asia ties. The relationship has been one of mutual complementarity and gains. Yet, from the Chinese perspective, one may argue that the relationship has been shaped more by security considerations than economic benefits.**

and Security, Cheng Guoping stated, “East Turkestan Independence Movement (ETIM) is the most prominent challenge to China’s social stability, economic development and national security”.<sup>22</sup>

While the disintegration of the USSR provided China with several opportunities, it presented China with new security challenges too. China was not confronted with the USSR any more—rather it left China with three newly independent and vulnerable Central Asian Republics which were economically as well as militarily weak and had no capability to deal with extremist forces. Despite its growing military and economic power, and the most stable and peaceful security environment in centuries, Beijing has been beset by insecurity and the goals of ensuring domestic stability and protecting national unity.<sup>23</sup> Unrest in Xinjiang is still one of the persistent challenges to China’s utmost goal of keeping the country unified. China has been worried that the Uyghur diaspora in Central Asia<sup>24</sup> has been aiding the Uyghurs in Xinjiang, thereby, fuelling instability in its western region. Therefore, China prefers stable governments in Central Asia. Central Asia’s stability is closely linked to internal security in western China.<sup>25</sup>

Interestingly, Xi is well aware that the road to Central Asia goes through Xinjiang. A retired General of the Chinese People’s Liberation Army Air Force, Liu Yazhou stressed on the importance of Xinjiang in the context of Central Asia, “Western China is a vast empty expanse. Moreover, our strategic direction should be westward... With an excellent geographic location (close

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22. Ibid.

23. Scobell et al., n. 12.

24. There are approximately 300,00 Uyghurs living in different parts of Central Asia.

25. Kevin Sheives, “China Turns West: Beijing’s Contemporary Strategy Towards Central Asia,” *Pacific Affairs*, vol. 79, no. 2, 2006, pp. 207–214.

to the centre of the world), the western region can provide us with the driving force to build our strength. We should regard western China as our hinterland rather than as our frontier.”<sup>26</sup> Economic cooperation and trade exchanges have been important for China-Central Asia ties. The relationship has been one of mutual complementarity and gains. Yet, from the Chinese perspective, one may argue that the relationship has been shaped more by security considerations than economic benefits.

#### **BELT AND ROAD INITIATIVE**

Reference has already been made to Central Asia being at the centre of the SREB. As was mentioned in the foregoing paragraphs, Xi chose Kazakhstan to announce the revival of the Silk Road. During his visit to Kazakhstan in September 2013, he made a speech titled “Promote People-to-People Friendship and Create a Better Future” at Kazakhstan’s Nazarbayev University and emphasised on the importance of reviving the Silk Road:

Xi Jinping proposed that in order to make the economic ties closer, mutual cooperation deeper, and space of development broader between the Eurasian countries, we can innovate the mode of cooperation and jointly build the Silk Road Economic Belt step by step, to gradually form overall regional cooperation. First, to strengthen policy communication... Second, to improve road connectivity. To open up the transportation channel from the Pacific to the Baltic Sea and to gradually

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26. Liu Yazhou, “Xibu lun [Theory on the Western Region],” *Fenghuang Zhoukan* [Phoenix Weekly], Hong Kong, August 5, 2010, quoted in Andrew Scobell, “Why the Middle East Matters to China”, in Anoushiravan Ehteshami and Niv Horesh, eds, *China’s Presence in the Middle East: The Implications of the One Belt, One Road* (Oxon and New York: Routledge, 2018)..

form a transportation network that connects East Asia, West Asia, and South Asia. Third, to promote trade facilitation... All the parties should promote the realization of exchange and settlement of local currency, increase the ability to fend off financial risks and make the region more economically competitive in the world. Fifth, to strengthen people-to-people exchanges.<sup>27</sup>

Xi Jinping chose Kazakhstan to announce the revival of the ancient Silk Road for two key reasons: first, Central Asia was the focal point of the ancient Silk Road. Therefore, it made sense for China to announce the revival from the region which had played a key role in Silk Road trade. Second, the Central Asian countries have displayed a positive approach towards China since the collapse of the USSR. China has been trying its best to propagate the BRI as a win-win project to the countries of the world. For this to be achieved, China needs friendly countries to endorse the BRI. The Central Asian countries are the safest bet in this endeavour. It was also trying to win over the trust and loyalty of the countries of the region.

Central Asia remains a key to the success of Xi's BRI for four reasons. First, the BRI will help in giving an impetus to the Western Development Programme and is a means to develop Xinjiang, which is still underdeveloped and highly volatile. Much of China's trade with Central Asia is through Xinjiang and this will allow better integration between Xinjiang and Central Asia. Second, given its strategic location, Central Asia is one of the most important regions for the BRI. Third, the Central Asian Republics come under the category of countries that are friendly towards China, thereby providing credibility to the BRI. Fourth, the BRI will allow China to increase its presence in the Eurasian region and integrate the Chinese economy with the wider Eurasian region.<sup>28</sup>

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27. n. 2.

28. The author has listed these reasons in her previous publication. For more details, see Sana Hashmi, "The China-Eurasian Connect", in Srikanth Kondapalli and Hu Xiaowen eds, *One Belt, One Road: China's Global Outreach* (New Delhi: Pentagon press, 2016).

The China–Central Asia–West Asia Economic Corridor (CCWAEC) is one of the main corridors of the SREB. While China’s Xinjiang province is the starting point of the CCWAEC, the corridor passes through all the five Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Turkmenistan) and 17 other countries in West Asia as also the Persian Gulf, Mediterranean Sea and Arabian Peninsula. This corridor is important as it would facilitate economic and trade cooperation and flow of capital to these regions, and boost local economic and social development.<sup>29</sup> For China, it will help it meet its growing energy demands, as Central and West Asia have abundant resources.

All the Central Asian countries have generally responded positively to the massive infrastructure and connectivity project. Former Kazakhstan President Nursultan Nazarbayev, Kyrgyzstan President, Almazbek Atambayev, and Uzbekistan President Shavkat Mirziyoyev attended the first Belt and Road Forum (BRF) in Beijing in May 2017. Nazarbayev Nursultan remarked:<sup>30</sup>

The global trade project allows to form a new geo-economic paradigm, the successful implementation of which will benefit countries with a total population of 4.4 billion people... The proclaimed approach ‘stability through joint development’ is an attractive form of international cooperation reflecting the economic interests of dozens of countries. Now, when certain contours of the Silk Road are visible, a joint strategic coordination of this macro regional cooperation is necessary. In addition, the implementation of the Silk Road initiative allows positioning the whole region in a new way, including Central Asia in a global context.

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29. “China-Central Asia-West Asia Economic Corridor”, April 19, 2017, [http://www.china.org.cn/english/china\\_key\\_words/2017-04/19/content\\_40651859.htm](http://www.china.org.cn/english/china_key_words/2017-04/19/content_40651859.htm). Accessed on December 7, 2017.

30. Malika Orazgaliyeva, “Kazakh President Attends One Belt, One Road Forum, Meets with Leaders in China”, *The Astana Times*, May 16, 2017, <https://astanatimes.com/2017/05/kazakh-president-attends-one-belt-one-road-forum-meets-with-leaders-in-china/>. Accessed on December 14, 2017.

Nazarbayev stressed that “Central Asia has regained its strategic importance and has become the main bridge between the world’s largest markets.”<sup>31</sup> At the first forum, Kyrgyz President Almazbek Atambayev also made a speech. He noted that “the Economic Belt of the Silk Road opens new opportunities and prospects for many countries” and supported the idea of Xi Jinping on the digital Silk Road.<sup>32</sup> Uzbek President Shavkat Mirziyoyev, speaking at the Leaders’ Round table Summit at the first BRF in Beijing said, “I am convinced that the implementation of this large-scale project, now covering more than 60 per cent of the world population, will contribute to the formation of a common belt of peace, prosperity, progress, cooperation and friendship between our countries and peoples.”<sup>33</sup> Shavkat Mirziyoyev went away with dozens of agreements, worth a total of US\$ 23 billion under his belt; a whole array of sectors was covered, from energy to oil refining, and electricity to agriculture, chemicals to transport and communications, among others.<sup>34</sup> The plan reflects the region’s fundamental importance to China’s BRI projects, with key western land corridors passing through the Central Asian Republics.<sup>35</sup> The second BRF, held in April 2019, was also attended by all the Central Asian leaders, barring Turkmenistan. There is a continuity in the approach of the Central Asian leaders towards the BRI. They have been supportive of the initiative.

While China is making inroads into Central Asia through the BRI, it has to take Russia’s sensitivities into consideration. Some believe that China’s expanding footprint in Central Asia is worrisome for Russia, which

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31. Ibid.

32. “Almazbek Atambayev Meets with Heads of Seven States in China”, May 16, 2017, [https://24.kg/english/51873\\_Almazbek\\_Atambayev\\_meets\\_with\\_heads\\_of\\_seven\\_states\\_in\\_China/](https://24.kg/english/51873_Almazbek_Atambayev_meets_with_heads_of_seven_states_in_China/). Accessed on December 14, 2017.

33. “Remarks by Shavkat Mirziyoyev at Leaders’ Roundtable Summit at Belt and Road Forum”, *Tashkent Times*, May 15, 2017, <http://tashkenttimes.uz/world/928-shavkat-mirziyoyev-s-speech-at-leaders-roundtable-summit-at-belt-and-road-forum>. Accessed on December 8, 2017.

34. “Uzbekistan: President’s China Trip Yields Giant Rewards”, Eurasia Net, May 16, 2017, <http://www.eurasianet.org/node/83611>. Accessed on December 9, 2017.

35. Connor Dilleen, “China’s Belt and Road Initiative in Central Asia: Insurmountable Obstacles and Unmanageable Risks?”, Australian Strategic Policy Institute, June 28, 2017, <https://www.aspistrategist.org.au/chinas-belt-road-initiative-central-asia-insurmountable-obstacles-unmanageable-risks/>. Accessed on December 2, 2017.



traditionally considers the Central Asian region as its area of influence. Russian President Vladimir Putin's grand, civilisational understanding of "Eurasianism" is embodied in the Eurasian Economic Union (EAEU), which is his flagship project for the integration of the post-Soviet sphere, while Xi's own concept of "shared human destiny," is at odds with Putin's plans for his backyard.<sup>36</sup> A Russian senior, Alexander Gabuev, pointed out, "China's initiative was "just another attempt to steal Central Asia from us".<sup>37</sup> However, despite scepticism, Russia is engaging with China in the region and has also embraced the BRI. Putin has attended both the BRFs and, in fact, linked the EAEU with the BRI. He remarked, "Russia has emphasised on numerous occasions that the PRC President's BRI is in sync with Russia's idea to establish a Greater Eurasian Partnership, a project designed to 'integrate integration frameworks', and, therefore, to promote a closer alignment of various bilateral and multilateral integration processes that are currently underway in Eurasia."<sup>38</sup>

There is another major concern vis-à-vis the BRI. Some countries are getting debt-ridden due to the high interest rates on the Chinese loans. The example of Sri Lanka handing over the Hambantota port to China on a lease for 99 years when the former was unable to repay the loan is a relevant example in this context. In 2018, a Washington D.C.-based organisation, Centre for Global Development, released a report which highlighted that eight countries are debt-stressed. Out of the eight countries, two were Central Asian Republics: Kyrgyzstan and Tajikistan. China is the largest creditor of Tajikistan. According to the report, "Tajikistan's debt to China accounts for almost 80 per cent of the total increase in its external debt over the 2007-2016 period; and for Kyrgyzstan, China's Exim Bank is the largest single creditor, with reported loans by the end of 2016 totalling US\$ 1.5 billion, or roughly

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36. Jacob Mardell, "One Belt, One Road, and One Big Competition", *The Diplomat*, December 15, 2017, [https://thediplomat.com/2017/12/one-belt-one-road-and-one-big-competition/?utm\\_content=buffer8db7b&utm\\_medium=social&utm\\_source=twitter.com&utm\\_campaign=buffer](https://thediplomat.com/2017/12/one-belt-one-road-and-one-big-competition/?utm_content=buffer8db7b&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer). Accessed on December 16, 2017.

37. Ibid.

38. "Belt and Road Forum for International Cooperation", Kremlin (President of Russia), April 26, 2019, <http://en.kremlin.ru/events/president/news/60378>. Accessed on April 27, 2019.

**The SCO allows member countries to cooperate on a wide array of issues such as counter-terrorism, fighting the three evils (separatism, extremism and terrorism), and energy cooperation. The scope of the regional organisation has been expanded from border security to economics, energy and counter-terrorism.**

40 per cent of the country's total external debt."<sup>39</sup>

Central Asia and Russia seem to be uneasy with China's increasing influence and presence but they still opt for cooperation with China. For these countries, the benefits far outweigh the risks. Russia needs China to keep the Western powers out of its neighbourhood and for the Central Asian Republics, the BRI is the hope to improve their economic condition. As far as China is concerned, due to its proximity with Central Asia and for its own internal security reasons, it aspires to secure and

develop its western region and also reap economic benefits.

## ENERGY IN SHARP FOCUS

Energy is one of the major areas of cooperation for China in Central Asia. Central Asia is sitting on an abundance of energy resources. Often referred to as Persian Gulf, Central Asia is gaining traction due to the abundance of untapped natural resources in the region.<sup>40</sup> China's energy demand has been increasing. For a long time, China has been in the process of diversifying its energy sources and for the same reason, China's engagement in the region has increased. The optimisation and upgrading of the economic structure and the slowdown in the urbanisation process will lead to a gradual slowdown in the primary energy demand growth; from 2015 to 2020, the average annual growth rate will be 2 per cent, while it is projected to be 1.1 per cent in 2020-35 and -0.2 per cent in 2035-50. China's primary energy demand will peak and plateau around 2035 at around 3.91 billion tons of oil equivalent.<sup>41</sup>

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39. John Hurley, Scott Morris, and Gailyn Portelance, *Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective* (Centre for Global Development, 2018), pp. 18-19.

40. Hashmi, n. 28.

41. "China Energy Outlook 2050", CNPC Economics and Technology Research Institute, p. 11,

The International Energy Outlook 2016 estimates that “China’s oil imports in 2015 amounted to about 6.6 million barrels per day (b/d), representing 59 per cent of the country’s total oil consumption.”<sup>42</sup> By 2035, the Energy Information Administration (EIA) projects that China’s oil imports will rise to about 9.7 million b/d, accounting for about 62 per cent of total oil consumption.”<sup>43</sup> Since 2005, the SCO has prioritised joint energy projects, including in the oil and gas sectors, the exploration of new hydrocarbon reserves and the joint use of water resources. Within the SCO, Kazakhstan and Uzbekistan are of the greatest interest to Chinese policy-makers because of the large supplies of oil and gas these countries have at their disposal.<sup>44</sup>

**As far as Central Asia is concerned, the countries follow a multi-vector foreign policy. From the Central Asian perspective, the establishment of the SCO has worked in their favour. It became easier for the countries to prevent Russia and China from dominating the region entirely and, at the same time, engaging all the powers in the region for accruing benefits.**

### SHANGHAI COOPERATION ORGANISATION

China’s relations with Central Asia have been institutionalised under the SCO. Established as a boundary dispute resolution mechanism known as the Shanghai Five, the SCO has come a long way. Expanded to include Uzbekistan in 2001, the SCO allows member countries to cooperate on a wide array of issues such as counter-terrorism, fighting the three evils (separatism, extremism and terrorism), and energy cooperation. The scope of the regional organisation has been expanded from border security to economics, energy

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42. Samir Tata (2017), “Deconstructing China’s Energy Security Strategy”, *The Diplomat*, <http://thediplomat.com/2017/01/deconstructing-chinas-energy-security-strategy/>. Accessed on February 10, 2017.

43. Ibid.

44. Cited in Ralph Wrobel, “China’s New Energy Geopolitics: The Shanghai Cooperation Organization and Central Asia”, *ASIEN*, vol. 133, 2014, pp. 24–25.

and counter-terrorism. Its scope has further been expanded with the inclusion of two South Asian countries, India and Pakistan. The importance of the SCO may be gauged from Xi's speeches made at the SCO summits. Speaking at the summit in Qingdao, China, Xi highlighted that "the SCO stands as a comprehensive regional cooperation organization that covers the largest area and population in the world... The SCO enjoys strong vitality and momentum of cooperation. This, in the final analysis, is attributed to the Shanghai Spirit, a creative vision initiated and followed through by the SCO that champions mutual trust, mutual benefit, equality, consultation, respect for diversity of civilizations and pursuit of common development."<sup>45</sup>

In many aspects, the Central Asian region has served as a laboratory for some of China's most innovative foreign policy gambits since 2000;<sup>46</sup> e.g., the creation of the SCO in 2001 as a "harbinger of China's apparent reconciliation with multilateralism regarding the Central Asia security agenda".<sup>47</sup> While the main objective behind the establishment of the Shanghai Five was to safeguard and strengthen border security, there are no two views on the fact that it was also a collective effort to keep the United States out of the Central Asian region.

With recent success in setting up some new multilateral bodies such as the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB) under the auspices of BRICS (Brazil, Russia, India, China, South Africa), China is attempting to emerge as a leading major player positively disposed towards multilateralism. In that context, the SCO still holds special relevance for China. The reasons for this are four-fold: first, it was the first-ever multilateral grouping, with China as a founder; second, it was welcomed not only by the Central Asian Republics, but Russia was also receptive of the idea of cooperating with China and the Central Asian Republics under the

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45. "Full Text of Chinese President Xi Jinping's Speech at the 18th SCO Qingdao Summit", *Xinhua*, June 10, 2018, [http://www.xinhuanet.com/english/2018-06/10/c\\_137244587.htm](http://www.xinhuanet.com/english/2018-06/10/c_137244587.htm). Accessed August 1, 2018.

46. Blank, n. 6, pp. 261–272.

47. Stephen Blank, "China's Laboratory," *Journal of International Security Affairs*, no. 17, 2009, pp. 91–97.

framework of a regional grouping; third, the SCO has not only helped China in positioning itself as an important power in the region, it has also helped it in addressing its problems with Xinjiang; and fourth, the SCO has allowed China to project its benign image and also that it is a responsible stakeholder.

As far as Central Asia is concerned, the countries follow a multi-vector foreign policy. From the Central Asian perspective, the establishment of the SCO has worked in their favour. It became easier for the countries to prevent Russia and China from dominating the region entirely and, at the same time, engaging all the powers in the region for accruing benefits.

## CONCLUSION

President Xi has consolidated his power with the removal of the term limit from the presidential tenure and is now being famously known as “president for life”. He has secured his place as one of the most powerful leaders in China. In his endeavour to establish China as a global power and make consistent efforts to realise the ‘Chinese Dream’, President Xi is reaching out to countries across the world, but his primary focus has been on the countries in the neighbourhood. More importantly, for Xi, the primary objective is to secure the legitimacy of the CCP, and for that, he must ensure stability in China’s peripheral areas. Regime stability is the goal for the Chinese leadership, while the tools to achieve this objective are the means to that end. In this context, Central Asia has been given substantial importance in Xi’s regional policy.

China-Central Asia relations have been shaped by convergent interests and shared security challenges. China’s charm offensive to the countries of the region has so far worked very well for both the Chinese and Central Asian interests. Moreover, these countries offer a favourable perception of China. This is particularly important when other countries in China’s neighbourhood are apprehensive of its assertive and aggressive behaviour. The Central Asian Republics’ approach towards China is fruitful for its international image as well as stability in its western provinces.