

CHINA IN CENTRAL ASIA: FROM TRADE TO STRATEGIC PARTNERSHIP

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Today China leaves no one indifferent: some experts are overenthusiastic about its socio-economic reforms, while others fear the threats stemming from the country's new role in the world. Both groups have a right to their opinion, but in real life nothing is ever quite so black and white.

China is a dynamically developing country, but its "growing might" should not be overestimated: it is accompanied by growing problems. I am convinced, first, that in the context of world and regional security, these problems taken together are much more ponderous than "China's might."¹

Second, all those who tend to overestimate "China's might" are breeding irrational fears and all sorts of phobias, are not allowing the world to adequately assess the country's foreign policy, and are reviving fears of "China's demographic and economic threat to the countries it borders on." This is obviously an overstatement. China's

¹ For more detail, see: K.L. Syroezhkin, *Problemy sovremennogo Kitaa i bezopasnost Tsentral'noy Azii*, KISI, Almaty, 2006.

stronger economic position in Central Asia as a whole and in Kazakhstan in particular has become obvious, but not dramatic. Its share of foreign direct investments and foreign trade volume in Kazakhstan do not exceed 10 percent.² China's share in the other Central Asian countries is even smaller. Today, China badly needs new sources of raw materials (energy resources in particular) and markets for its products. Central Asia (especially Kazakhstan) is highly attractive in both respects. The trade and economic relations between China and Central Asia are developing entirely within the worldwide economic globalization trends.

It should be said in all justice that due to its specifics and the nature of the relations among the actors involved in the region, this process is potentially dangerous to national security. This is the background against which China's presence in Central Asia is assessed.

² For more detail, see: K. Syroezhkin, "Kazakhstansko-kitayskoe torgovo-ekonomicheskoe i investitsionnoe sotrudnichestvo: sostoianie i problemy," *Kazakhstan v global'nykh protsessakh*, No. 1, 2006, pp. 43-49.

Seizing the Opportunity

The Soviet Union's disintegration and the appearance of new independent states along China's borders radically changed its geopolitical role in Central Asia. The deep political and economic crisis

in which Russia and the new Soviet successor states in Central Asia found themselves removed the “threat from the north” and allowed Beijing to concentrate on “strengthening China.” On the one hand, it addressed the domestic economic problems in order to revive Greater China. On the other, it used specific mechanisms of its own to influence the world and regional processes.

The Chinese leaders knew that the regional rivalry between Russia, Turkey, Iran, and the United States would aggravate instability in the Central Asian states and the still unresolved problems among them. Beijing preferred to avoid direct involvement in the unfolding confrontation.

China relied on the trade and economic advantages it had already acquired in Central Asia and on domestic tools to limit the negative impact of the regional processes on its Muslim areas. In all other respects, the country preferred the traditional wait-and-see millennia-tested tactics. The Chinese leaders reconciled themselves to a certain extent with America’s presence in the region, which was helping to curb Iranian influence, promoting no matter how limited market reforms, and reducing the impact of the nationalist political forces. Russia, which was keeping Turkey’s influence within certain limits, was also acceptable.³

The situation in the region (with the exception of Tajikistan) was described as “relatively stable,” which was very important for China’s Central Asian policy. It was commonly believed in China that the region owed its stability to the fact that “despite considerable changes in the states’ political structure and renaming or eliminating the former Communist parties, real power belongs to the reformers in the communist leadership.”⁴ This explains why together with the task of limiting the impact of Islamic fundamentalists and pan-Turkists on their Muslim regions, the Chinese leaders have been exerting great efforts to “support the current political power in the Central Asian states” for the simple reason that it “is demonstrating caution in its attitude toward pan-Turkism and fundamentalism and strictly limits the spheres of their influence. This is especially true of Islamic fundamentalism.”⁵ China strove to preserve stability in its predominantly Muslim regions, which directly depended, according to the central and regional government, “on the situation in the newly independent Muslim neighbors.”⁶

The most urgent political goals of China’s Central Asian policy in the early 1990s were described as follows:

- achieving border settlement;
- limiting the influence of pan-Turkism, political Islam, and ethnic separatism on the fairly unstable Muslim Xinjiang-Uighur Autonomous Region of China, which borders on Central Asia;
- establishing wider bilateral trade and economic contacts with the Central Asian countries to preserve China’s limited political presence and to extend its economic presence as much as possible in order to set up “outposts” on the vast Central Asian market;
- ensuring political balance in Central Asia in an effort to maintain the current political regimes, on the one hand, and to preserve the current disagreements among them, on the other.⁷

From the very beginning, China has been and continues to practice a differentiated approach to the new states proceeding from the following factors:

³ See: *Zhongya yanjiu* (Central Asian Studies), No. 1-2, 1992, pp. 14-15; L.C. Hurriss, “Xinjiang, Central Asia and the Implications for China’s Policy in the Islamic World,” *The China Quarterly*, No. 2, March 1993, p. 125.

⁴ *Zhongya yanjiu*, Summary issue, 1993, p. 24.

⁵ *Ibid.*, p. 29.

⁶ L.C. Hurriss, *op. cit.*, p. 125.

⁷ See: *Dongou Zhongya yanjiu* (Research on Eastern Europe and Central Asia), ed. by Zhang Baoguo, Urumqi, 1999; *Zhongguo yu Zhongya* (China and Central Asia), ed. by Xue Jundu and Xing Guangcheng, Beijing, 1999, pp. 183-224; *Zhongguo yu Zhongya yanjiu wenji* (Collected Studies of China and Central Asia), ed. by Wu Fuhuan and Cheng Shiming, Urumqi, 1998, p. 7.

- The state's geopolitical situation and its role in post-Soviet Central Asia; its socioeconomic potential; the degree of its activity; and the prospects of using it in the interests of China's border areas;
- Political balance, the leaders' ability to control the economic and political situation at home, as well as the degree of social and ethnic stability, which would exclude the negative impact of Central Asia's social, political, and ethnic processes on China's border regions;
- The activities of religious organizations and the degree to which religion (Islam in particular) affects the country's foreign and domestic policies;
- The nature of relations with the Russian Federation, the Muslim world, China, and other subjects of international law;
- Compatibility of specific countries' type of socioeconomic and political development with the "Chinese model" and "China's foreign policy goals."

The above explains China's heightened interest in Kazakhstan and Kyrgyzstan. The former has the longest land border of its neighbors with China with 11 contested stretches; Kazakhstan has considerable economic and resource potential; there are no immutable religious traditions inside the country, while some of the Uighur separatist organizations are based on its territory. The latter deserved China's attention because some of the border stretches needed specification; the country has attractive resource potential; Islamic influence inside the country was fairly limited, while some of the separatist Uighur organizations favoring Xinjiang's independence were stationed on its territory. Tajikistan attracted attention merely because the common border needed specification; Uzbekistan deserved attention as the only Central Asian country that tried to apply the "Chinese model" at home, while Turkmenistan, which maintained contacts with the Taliban since the latter half of 1994, also deserved its share of attention. Uzbekistan was seen as an unquestioned regional leader and the most promising trade, economic, and political partner, while Turkmenistan was regarded as a sustainably developing state. According to Chinese analysts, "compared with Kazakhstan and Kyrgyzstan, Uzbekistan and Turkmenistan are facing less serious problems... Industry and social life in both countries are fairly regulated."⁸ This description was probably prompted by their "closeness to the Chinese model," the type of reforms launched by Islam Karimov and Saparmurat Niyazov and the absence of serious problems in relations with these countries: there are no border problems; and there are no considerable ethnic diasporas that play a great role in China's relations with Kazakhstan and Kyrgyzstan.⁹

This differentiation can be easily detected in the volume and nature of trade and economic contacts with the region's countries in the early 1990s: Kazakhstan was the leader, while the shares of Uzbekistan, Tajikistan, and Turkmenistan remained negligible.¹⁰

In the latter half of the 1990s, China readjusted its approaches to include geostrategic considerations in its economic interests. This explains the rapid growth of trade and economic contacts with Uzbekistan, Kyrgyzstan, and Tajikistan, as well as the qualitatively new level of relations with Kazakhstan.¹¹ This also explains the closer attention to the collective security issues

⁸ *Zhongya yanjiu*, No. 3-4, 1994, pp. 28-29.

⁹ See: *Dongou Zhongya yanjiu*, No. 2, 1997, pp. 29-32.

¹⁰ For more detail, see: K.L. Syroezhkin, "Kitay i Tsentral'naia Azia: politicheskie otnoshenia i torgovo-ekonomicheskoe partnerstvo," *Kazakhstan-Spektr*, No. 1-2, 1997, pp. 61-67.

¹¹ In June 1997, the Chinese National Petroleum Company won a tender under which it acquired 60 percent of shares of Aktiubinskneft Joint Stock Company. This brought China into the oil-and-gas sector of Kazakhstan and the "project of the century"—an oil pipeline from Western Kazakhstan to Western China.

and the “struggle against Islamic fundamentalism” in China’s relations with the Central Asian countries.

In April 1996, China initiated the Agreement on Military Confidence-Building Measures in the Border Regions, signed in Shanghai, and the Agreement on Mutual Reduction of Armed Forces in the Border Regions, signed in Moscow in April 1997. They served as the foundation for the Shanghai Five, which was transformed into the Shanghai Forum late in the 1990s and into the Shanghai Cooperation Organization in June 2001. Significantly, as early as the mid-1990s, Beijing realized that the organization it had set up could serve as the vehicle of its interests in Central Asia. In any case, it was the Shanghai Five which, starting in April 1997, altered the bilateral format—China and four post-Soviet republics—to a five-sided format, within which each of the five members played an independent role. It was through this structure that China settled one of its major problems—the controversial border stretches.¹² Other border issues remain shelved.

Many important geopolitical problems were likewise settled through this structure; it was in Shanghai that the strategic alliance between Russia and China took shape. During a visit to Shanghai, President Yeltsin described it as a “counterbalance to Western domination” and added that the diktat of one state could not be accepted.

On 4-6 July, 1996, during his official visit to Kazakhstan, Jiang Zemin upheld a similar position. Speaking at the Kazakhstan parliament, he described his country’s approaches to the world’s most outstanding issues and clearly pointed out: “The unjust and irrational world economic order should be changed” through closer cooperation along the South-South line. China claimed the copyright on this idea and, in view of its geopolitical situation, offered its services as coordinator.¹³ In other words, back in 1996, Beijing formulated a new idea of confrontation between the blocs of the developing and developed countries; the latter were openly invited to trim their requirements in favor of the Third World.

This period should be summed up as follows: China fully exploited the opportunity presented by the Soviet Union’s disintegration and the geopolitical vacuum in Central Asia to, first, settle its border issues. It profited from the settlement, while the Central Asian states lost a trump card that could be potentially used in their later talks with Beijing over pressing issues. Second, China not only gained a strong economic position in all the Central Asian republics, but also developed its Greater North-West with the help of the republics’ economic potential.¹⁴ Third, by signing agreements with the local countries, China enlisted them as allies in the struggle against ethnic separatism. More than that: by the same token, it split the “Muslim unity” of the Xinjiang peoples and the autochthonous Central Asian nationalities to a certain extent. As a Shanghai Five member, it became immune to the interference of third countries in the “Uighur factor.” Fourth, Russia and the newly independent Soviet successor Central Asian states, badly hit by the political and economic crisis, were no longer a “threat from the north.” China used this historic chance to concentrate on its domestic problems, economic development, and reestablishment of Greater China. Finally, China fortified its position in all the Central Asian countries, mainly through its economic presence and as a key member of the emerging regional security system, of which the Shanghai Five was one of the links.

¹² The main border agreement with Russia was signed in November 1997; and the additional agreement in October 2004. The border agreement with Kazakhstan was signed in April 1994, and the additional agreement in September 1997. The dates for Kyrgyzstan are July 1996 and August 1999, respectively; for Tajikistan, they are February 1999 and May 2002.

¹³ See: *Kazakhstanskaia pravda*, 6 July, 1996.

¹⁴ For more detail, see: K.L. Syroezhkin, *Problemy sovremennogo Kitaia i bezopasnost v Tsentral'noy Azii*.

The SCO as a Mechanism of Influence

By mid-1999, the situation in the region, as well as more active American efforts to build up its influence there,¹⁵ forced China to look for a mechanism of its direct involvement in the security issues in Central Asia. The Shanghai Five was selected as this mechanism.

On 5 July, 2000, the Dushanbe summit approved of the sides' efforts to develop the Shanghai Five into a regional structure of multilateral cooperation. The summit outlined the specific threats—international terrorism, religious extremism, and ethnic separatism—“which threatened regional security, stability, and development,” as well as illegal trade in weapons and drugs, and illegal migration.¹⁶

The Five members planned to draw up a multisided program, sign all the necessary multilateral agreements and treaties, organize regular meetings of the heads of law-enforcement structures and of border guard and customs services, and carry out antiterrorist and anti-violence training exercises patterned on the countries' needs.

China needed this as badly as Russia and the Central Asian countries: by that time, the common regional threats had become an unwelcome reality and a destabilization factor in the region and elsewhere in the world. It was these developments that changed the local attitude toward China's presence in the region. Uzbekistan, which was facing the very real possibility of being drawn into a civil war, was probably the first to feel the reality of the threat. This explains why President Karimov deemed it necessary to point out at the summit: “The presence of two great powers—Russia and China with their huge potential—in Central Asia in the current situation does not merely guarantee peace and stability in our region, it also contributes to its sustainable development.”¹⁷

This opened more “windows of opportunity” for China to be used without irritating Russia and raising a new wave of fear about “Chinese expansion.” Direct confrontation with the United States was equally unwelcome.

The anniversary summit of the Shanghai Five held on 14-15 June, 2001 was expected to resolve the problem. Uzbekistan's membership and the Declaration on the Creation of the Shanghai Cooperation Organization (SCO) demonstrated that a new international structure had arrived on the scene.

China deliberately concentrated on economic cooperation within the SCO, and neither was the statement by Chinese Foreign Ministry Spokesman Zhang Deguang accidental, who said: “Neither the Shanghai Five nor the SCO are alliances; they will never develop into a military bloc or any other collective security system.”¹⁸ First, it did not irritate the other regional players (the U.S. in particular); second, by that time Beijing had obviously concluded that it would not build up its influence in the region through a regional security system. Indeed, in this respect, the Shanghai Forum was much weaker than the CSTO. Third, any emphasis on the security and military-political cooperation issues limited the geographical extent of China's involvement in Central Asia, since Turkmenistan and Uzbekistan would have been left outside the sphere of Chinese influence. For obvious reasons, China did not want this. On the other hand, everyone was prepared to accept the economic issues, which allowed China, with much larger resources than before, to increase its influence in Central Asia. Two key questions remained unanswered: Who will fund the project and how? How can the integration processes within

¹⁵ For more detail, see: K. Syroezhkin, “Central Asia between the Gravitational Poles of Russia and China,” *Central Asia: the Gathering Storm*, ed. by Boris Rumer, M.E. Sharpe, Armonk, New York, London, 2002, pp. 109-207.

¹⁶ See: “Dushanbe Declaration of Heads of State of the Republic of Kazakhstan, the People's Republic of China, the Kyrgyz Republic, the Russian Federation, and the Republic of Tajikistan,” *Kazakhstanskaia pravda*, 13 July, 2000.

¹⁷ ITAR-TASS, 5 July, 2000.

¹⁸ *Panorama*, No. 23, 15 June, 2001.

the CIS and the CAEC be harmonized with the integration processes within the SCO? There were no answers to these questions, but some experts correctly believed that when developing the SCO in the economic sphere, “it is extremely important to avoid obviously unrealizable, but fashionable integration ideas.”¹⁹

The events of 9/11 and America’s interference in the Afghan conflict that followed destroyed China’s geostrategic constructs, which since the late 1980s remained riveted to the formula: “While relying on the North stabilize the Western sector and concentrate on the East and the South.” Prior to the counterterrorist operation in Afghanistan, the formula remained highly effective. The American military bases in Central Asia undermined it.²⁰ Without real tools of influence in the region to be used to remove the challenge, China had, on the one hand, to strengthen the armed groups deployed in the XUAR to protect its own safety. It also invigorated the process of setting up antiterrorist structures within the SCO and established closer contacts with its members to limit American influence in the region and preserve its position in the regional security structures. It is commonly believed in the West that the events of 9/11 and the American military presence in Central Asia undermined the SCO’s regional security role and slowed down Beijing’s growing influence by undermining its position.²¹ Chinese experts are convinced of the opposite.²²

Something bothered China more than anything else in the context of the various opinions of the Central Asian states on the Iraqi issue²³ and Uzbekistan’s withdrawal from what was done within the SCO²⁴: the public and the region’s political leadership might learn to take America’s military presence on their doorstep for granted and an alternative to Russia’s and China’s security guarantees. The fears were well-founded: the U.S.’s promises of investments and political support tempted the leaders

¹⁹ V. V. Mikheev, “Obshchie problemy realizatsii interesov Rossii v ShOS. Predlozhenia po povysheniu effektivnosti ee raboty,” *Problemy stanovleniia Shanghaiskoy organizatsii sotrudnichestva i vzaimodeystvia Rossii i Kitaia v Tsentral’noi Azii*, Institute of the Far East, RAS, Moscow, 2005, p. 28.

²⁰ According to Ge Dide, an expert at the National Defense University of the Chinese People’s Liberation Army, “Beijing is very concerned with the appearance of American armed detachments at China’s western borders for the first time in its history... Their presence will ease NATO’s expansion to the East and tie together the American military contingents in Europe and the APR.” Ge Dide is convinced that the United States will have enough troops at the military bases in Afghanistan and Central Asia to ensure operational control over certain zones and objects in China (quoted from: A. F. Klimenko, “Znachenie Tsentral’no-Aziatskogo regiona. Razvitie strategicheskogo partnerstva mezhdru Rossiei i Kitaem v ramkakh ShOS i nekotorye napravleniia sovershenstvovaniia etoy organizatsii,” *Problemy stanovleniia Shanghaiskoy organizatsii sotrudnichestva i vzaimodeystvia Rossii i Kitaia v Tsentral’noy Azii*, pp. 65-66).

According to Xing Guangcheng, Deputy Director of the Institute for East European, Russian and Central Asian Studies, Chinese Academy of Social Sciences, “The PRC is not interested in the prolonged American presence in Central Asia close to its borders and does not support it. This threatens China’s interests” (Xing Guangcheng, “The Shanghai Cooperation Organization in the Fight against Terrorism, Extremism, and Separatism,” *Central Asian and the Caucasus*, No. 4 (16), 2002, p. 19).

²¹ According to one of the leading American experts in central Asia Eugene Rumer, “A regional power broker prior to 11 September, China now finds itself marginalized, displaced, and virtually alone, pondering the unenviable (for Beijing) option of playing second fiddle to the United States and a host of its newfound best friends. No matter how much China gains from the U.S. military campaign—and there can be little doubt that it has been a beneficiary of the campaign against the Taliban and the ensuing blow to operations of its own Uighur militants—U.S. preponderance in Central Asia must be a serious setback to the government that aspires to the role of the Asian superpower” (E. Rumer, “Flashman’s Revenge: Central Asia after 11 September,” *Strategic Forum* (Washington, DC), No. 195, December 2002, p. 3).

²² According to Zhao Huasheng, Director of the Department of Russian and Central Asian Studies at SIIS, “It is true that the geopolitical changes in Central Asia in the wake of 9/11 came as a surprise to China. Notwithstanding, its impact on China and China’s self-assessment of its situation are not as strong and pessimistic as perceived by some foreign analysts” (Zh. Huasheng, “China, Russia, and U.S.: Their Interests, Postures, and Interrelations in Central Asia,” *Central Asia and the Caucasus*, No. 5 (29), 2004, pp. 121-122).

²³ The war on Iraq demonstrated that there was no unity in the SCO: Russia was dead set against the war, while China was more cautious in its rejection of it. Tajikistan, Kazakhstan, and Kyrgyzstan announced that they were neutral “within the framework of international law.” Uzbekistan whole-heartedly supported America.

²⁴ Uzbekistan took part in two out of six meetings of SCO representatives held in April-May in preparation for the St. Petersburg summit. The two sittings it attended dealt with economic cooperation and the draft SCO Charter; the four other sittings discussed regional security issues, which Uzbekistan ignored.

of Uzbekistan and Kyrgyzstan, who sincerely believed that Washington had readjusted its attitude toward the local political regimes. Indeed, the United States first demonstrated that it was prepared to fight Islamic fundamentalism and terrorism with much better effect than the SCO; second, America was building up its military presence in Central Asia with Russia's tacit agreement and against the background of its nearly normal relations with the United States.

At that time, China was concerned not only about preserving its economic position in the region; it also had to address two no less important tasks: limit America's political presence and its influence on the local political elites and preserve Central Asia's political regimes and relative local political stability. For obvious reasons, the PRC did not need a seat of tension fanned by the Islamic factor on its borders. The problems were resolved thanks in particular to the SCO collective security mechanism (part of the SCO Agreement and accompanying documents), with the help of which Beijing was closely monitoring developments to prevent anti-Chinese alliances. The same document transformed the CIS-China borders into a zone of multilateral economic cooperation. The SCO member states, China in particular, the common antiterrorist and antiseparatist efforts, and the economic prospects were attractive enough for new members, including those that had no common borders with China. Being aware of its competitive advantages over Russia,²⁵ China hoped, with good reason, to become the SCO's first fiddle, if the organization's economic component came to the fore.

The special meeting of SCO foreign ministers held on 7 January, 2002 in Beijing tied SCO stability to the new geopolitical conditions. By stressing the Afghan problem and pointing out that the U.S. and the SCO had different ideas about its settlement,²⁶ the PRC and Russia hinted that they were prepared to tolerate America's military presence in Central Asia up to a certain point and under certain conditions. Russian Foreign Minister Igor Ivanov pointed out: "It is for the SCO, which unites like-minded neighbors tied together by many years of cooperation and tradition, to become a systemic element of regional security and development. The regional states alone are responsible for the political climate in the region and the forms of development and cooperation prevalent here."²⁷

The St. Petersburg summit of June 2002 strengthened the SCO mechanisms still further. The SCO Charter specified the rights and duties of its members, which was absolutely indispensable in the new geopolitical situation in Central Asia.

It is no accident that the document stated that illegal actions against the SCO's interests were inadmissible. Art 13 of the Charter was very explicit on the issue: "SCO membership of a member State violating the provisions of this Charter and/or systematically failing to meet its obligations under international treaties and instruments, concluded in the framework of SCO, may be suspended by a decision of the Council of Heads of State adopted on the basis of a representation made by the council of Ministers of Foreign Affairs. If this State goes on violating its obligations, the Council of Heads of State may take a decision to expel it from SCO as of the date fixed by the Council itself."

The above was introduced into the Charter for obvious reasons: the positions of some of the members remained vague. None of the members made any official statements contradictory to the

²⁵ Beijing proceeded from the dynamics of its economic and military potential. Whereas in 1990, there was parity between the Chinese and Soviet GDP volumes, in 2000, the Chinese GDP was five times larger than Russia's. Military experts have calculated that by 2010-2015 Beijing will achieve nuclear parity with Moscow (see: S. Strokan, "Shanghaiskaia gramota: nachalo novogo etapa v istorii Tsentral'noy Azii," *Kommersant-Vlast*, 26 June, 2001).

China was prepared "to extend all possible assistance to Kyrgyzstan in case of more aggression by fighters." It was with Chinese assistance that not only Uzbekistan, but also other Central Asian countries hoped to increase the number of countries involved in securing their safety and achieving at least minimal economic prosperity.

²⁶ See: "Sovmestnoe zaiavlenie ministrov inostrannykh del stran-chlenov ShOS," *Renmin ribao*, 16 January, 2002.

²⁷ RIA "Novosti," 7 January, 2002.

agreements reached within SCO (the January 2002 meeting of the foreign ministers confirmed these agreements), but relations among the members had become significantly cooler.²⁸

This happened because the situation in Central Asia was developing under the impact of the U.S. and its European allies, which moved to the fore in ensuring regional security and pushed the Russia-China tandem aside. The local leaders became less enthusiastic about the SCO and its system of regional security: its prospects were assessed in the context of the relations between each member country and the United States, the PRC, and Russia, as well as the relations within this geopolitical triangle. The position of certain member states changed under the fear of Russia's "imperial ambitions," China's "expansion," and the White House's lavish investment promises.

The years 2003 and 2004 were spent searching for a way out. Judging by certain Chinese publications, Beijing reached important conclusions.

- First, America's military-political presence in Central Asia would remain a more or less permanent factor in the near future: neither China nor Russia, no matter how displeased with it, could do anything about it.²⁹
- Second, "Russia is growing weaker—it can no longer dispatch adequate forces to Central Asia,"³⁰ which meant that, on the one hand, it would hardly be able to fulfill the mission of squeezing the United States out of the region the Chinese strategists entrusted it with. On the other, China might build up its (primarily economic) influence in Central Asia.
- Third, the Iraqi crisis would not end soon; this buried the hope of sustainable fuel deliveries from the Middle East, which meant that their geographical dimensions should be extended to Russia and the Central Asian states.³¹
- Fourth, Beijing, which needed a stable strategic rear area, was more than concerned over the rivalry among Russia, the U.S., and China in Central Asia.³² This meant that "what China, Russia, and the U.S. ultimately need in Central Asia is a multilateral cooperation framework. Mere bilateral cooperation can hardly settle the issue of multilateral relations."³³

²⁸ In the majority of cases Uzbekistan invariably took a special position. For example, President Karimov called on the SCO not to hurry with the planned SCO antiterrorist structure based in Bishkek (the headquarters) and Beijing (the Secretariat). In St. Petersburg he addressed his colleagues, particularly Jiang Zemin, with the following words: "The SCO stands a good chance of developing into a serious factor of world politics if it soberly assesses the post-9/11 world. The world is changing together with the balance of forces. Pragmatism of Russia and the United States and the leaders who signed the Russia-NATO documents spoke of a sober approach and understanding of the new situation. We should take this into account." Translated into ordinary language, this meant that the member states were advised to coordinate their actions with the United States. The puzzled journalists wanted to know: "Have the presidents noticed that the U.S. was virtually present at the summit?" *Vremia novostey*, 10 June, 2002.

²⁹ See: Zhao Huasheng, "ShOS i sootmoshenie velikikh derzhav na fone novoy situatsii v regione TsA," *Analytic*, No. 1, 2003, p. 5.

³⁰ Li Lifan, Ding Shiwu, "Geopolitical Interests of Russia, the U.S. and China in Central Asia," *Central Asia and the Caucasus*, No. 3 (27), 2004, p. 140.

³¹ See: *Ibid.*, p. 142.

³² Chinese experts suggest three possible options: 1. *Continued balance of interests and status quo*, if the United States "restrains its egotism," takes account of the U.N.'s role and decisions and of other international instruments, and discusses with Moscow its most important decisions on global issues and seeks Beijing's opinion. 2. *Confrontation of the powers and clashes among them*, if "Russia is aware of the limits of its retreat in the face of the growing threat to its Central Asian interests emanating from the United States." 3. *The powers will refuse to maintain the balance of forces in the region*, consequently there will be chaos, if "Russia, after weighing up all the 'pros' and 'cons,' abandons its claims to regional leadership" (Li Lifan, Ding Shiwu, *op. cit.*, pp. 144-145).

³³ Zhao Huasheng, "China, Russia, and U.S.: Their Interests, Postures, and Interrelations in Central Asia," *Central Asia and the Caucasus*, No. 6 (30), 2004, p. 92. He offered the following options: "(1) The United States becomes an observer or interlocutor in the Shanghai Cooperation Organization; (2) China becomes an observer or interlocutor in NATO's Partnership for Peace program and takes part in its actions together with Russia; or (3) all three powers find some common ground in the framework of the Shanghai Cooperation Organization and NATO's Partnership for Peace program" (*ibid.*, p. 94).

- Fifth, no matter which points the Chinese experts disagreed on with respect to the role and prospects for the SCO,³⁴ they all agreed that the structure should be preserved, since “the SCO is the most convenient and legal channel of such communication and a reliable instrument of coordination in Central Asia.”³⁵ Chinese experts pointed out: “After a long period of deliberations and careful preparations Beijing acquired its Central Asian strategy. Since then, China has been using the SCO to be actively involved in all regional issues, to develop its relations with the local countries, to contribute to their stability and prosperity, and to look after its own strategic interests concentrated on developing local resources.” This meant that “China should build its Central Asian strategy on the SCO; it should consolidate its positions, and improve its mechanism to get rid of its functional shortcomings in order to make it the regional leader.”³⁶
- Finally, China aimed at greater economic involvement in the region through bilateral and multilateral projects within the SCO. In October 2003, the Atasu-Alashankou oil pipeline project was revived. The minutes of deliberations were signed in 1997; in September 2004, a Program of Multisectoral Trade and Economic Cooperation was signed in Beijing. It created a basis not only for broader trade and economic relations, but also for deeper integration into all economic spheres.³⁷ This strategy remained unrealized for political reasons—the wave of Color Revolutions that swept the CIS.

At the New Stage

The events in Georgia and Ukraine (in the fall of 2003 and 2004) and especially in Kyrgyzstan (the spring of 2005), which added another element of uncertainty to the post-Soviet situation and the U.S.’s involvement in them, urged the PRC to take a fresh look not only at the threats coming from the post-Soviet territory, but also at the nature of its relations with Russia and America within its Central Asian strategy. V. Mikheev was quite right when he said that China had to choose between Russia’s and its own course or place its stakes on the American factor.³⁸

The dilemma caused by the regional threats and, to a greater extent, by the regional policies of the three largest extra-regional actors was real. Their strategic interests (the fight against terrorism, religious extremism, and drug trafficking) were the same; they disagreed over the priorities and held different ideas about tactics and methods.

³⁴ See: V. Mikheev, “Kitai i ShOS: problemy vzaimodeystvia ‘velikikh derzhav’ i perspektivy organizatsii,” *ShOS: stanovlenie i perspektivy razvitiia*, KISI, Almaty, 2005, pp. 31-44.

³⁵ Li Lifan, Ding Shiwu, op. cit., p. 144.

³⁶ *Ibid.*, pp. 141-142, 144. Zhao Huasheng was even more specific when pointing to China’s role in Central Asia; he wrote: “Securing Central Asia as China’s stable strategic rear area depends on three conditions. First, on resolving the disputed border issues between China and Central Asia and maintaining peace and security in the border areas. Both tasks have been entirely fulfilled, save a few remaining negotiations over uninhabited and inconsequential border areas. Second, on the Central Asian nations adopting a good-will foreign policy toward China and China maintaining fairly good bilateral relations with the Central Asian nations. Third, on Central Asia not falling under the control of any major power or group of major powers, especially those that have complicated geopolitical and strategic relations with China. It can be inferred that, as another basic principle and target of China’s Central Asian policy, China must maintain amicable relations with the Central Asian nations and prevent these nations from being controlled by any major power or group of major powers” (Zhao Huasheng, “China, Russia, and U.S.: Their Interests, Postures, and Interrelations in Central Asia,” *Central Asia and the Caucasus*, No. 5 (29), 2004, p. 119).

³⁷ The program contained 127 projects in 11 economic branches; development of transport infrastructure, energy, ecology, and drinking water were the top priority spheres.

³⁸ See: V. Mikheev, “Kitai and ShOS: problemy vzaimodeystvia ‘velikikh derzhav’ i perspektivy organizatsii,” p. 32.

Beijing is placing its stakes on supporting the existing political regimes; it plans to build up its influence in Central Asia through large-scale economic projects. The United States, on the other hand, hopes to expand its influence by “removing authoritarian political regimes” and “exporting democracy.” Russia has chosen the middle-of-the-road course: while not actively opposing the “export of democracy,” it is trying to use the struggle against real threats to enlarge its military-political presence.

Second, the Color Revolutions made it absolutely necessary to identify its attitude to the Central Asian political regimes and the opposition. Russia’s adjusted policies toward the CIS members and their political regimes could not pass unnoticed in China: before the Ukrainian developments, Russia concentrated on supporting the current political leaders. After the Orange Revolution, it is guided by its national interests and the level of any political leader’s loyalty to Moscow.

Third, the need emerged to decide whether the SCO could be used to settle regional conflicts. The events in Kyrgyzstan confirmed beyond a doubt that neither the CSTO nor the SCO were prepared to act collectively in the face of a crisis in any of the member states. Beijing found itself in a difficult situation: as one of the key SCO members, China could have suggested certain steps designed to localize potential conflicts. At the same time, it would like to avoid any accusations of interference in the domestic affairs of other countries, as well as another wave of fear about “Chinese expansion.” In the absence of ready solutions, Chinese experts and diplomats spared no effort to find out the opinions prevalent in the Central Asian expert communities. One thing was absolutely clear: the continued American military presence in the region was a destabilizing factor.³⁹ China could not cope with the problem single-handedly; more than that—it wanted to avoid a direct confrontation with the United States.

The above crystallized into China’s Central Asian tactics and the use of the SCO mechanisms. Beijing was playing three games simultaneously: Russia’s fears about the Chinese influence should be alleviated; the United States, its political role in Central Asia needed trimming, should not be irritated; China should acquire a reliable rear area and gain access to the local hydrocarbon and other resources. China’s position in the geopolitically more important APR should be consolidated.⁴⁰

This is how the results of the SCO summits in Tashkent (June 2004) and especially in Astana (5-6 June, 2005) should be interpreted. They demonstrated that, first, Beijing, which posed as the key investor in economic integration, insisted on the speediest possible implementation of the SCO economic projects; second, in the future the SCO would develop into a global structure; third, the SCO members were not happy about American domination in the region and America’s “export of democracy.” Finally, the SCO intended to lower the level of the American presence (particularly its military-political presence) in Central Asia.

Western experts readjusted their opinions accordingly: in the past, most of them displayed no concern over the SCO as a mechanism for limiting America’s presence in the region.⁴¹ While before

³⁹ According to Prof. Zhu Zhenghong of Xinjiang University, “America’s military presence and political influence in Central Asia added, to a certain extent, to the sociopolitical contradictions in the region’s countries and created potentially destabilizing factors for their leaders” (see: Zhu Zhenghong, “Regional Security in Central Asia and Russia after 9/11,” *Far Eastern Affairs*, No. 1, 2005).

⁴⁰ This perfectly fitted the PRC foreign policy doctrine, which the new generation of leaders changed a lot. The new strategy presupposed abandoning the passive wait-and-see policy designed to create a favorable external context for domestic reforms and shifting to an active policy. China wanted a more active role in global developments. There was a shift from the policy of predominantly bilateral ties to multilateral diplomacy, active and even aggressive protection of Chinese interests, Chinese businesses, and Chinese citizens abroad (see: V. Mikheev, “Vneshniaia politika Kitaia pri novom rukovodstve,” *Azia i Afrika segodnia*, No. 12, 2005, p. 4).

⁴¹ See: Ch.E. Zigler, “Strategia SShA v Tsentral’noy Azii i Shanghaiskaia organizatsia sotrudnichestva,” *Mirovaia ekonomika i mezhdunarodnye otnoshenia*, No. 4, 2005, p. 21; G. Bates, *China’s Security Interests and Activities with Central Asian States. Paper presented to the National Defense University Conference on Meeting U.S. Security Objectives in a Changing Asia. 22-23 April, 2004*, available at [<http://www.ndu.edu/inss/symposia/pacific2004>].

the Astana summit the Western official structures lauded the SCO's antiterrorist efforts and its struggle against religious extremism and drug trafficking, as well as its contribution to economic integration and transborder safety,⁴² they changed their tune after the summit to one that was more critical and anti-Chinese.⁴³

The West is worried about several issues: (1) A new strategic alliance is emerging in the heart of Asia that may potentially be aimed against the West; (2) Beijing, not Moscow, is its true leader, which means that in several years the Central Asian republics will turn away from Russia to China; (3) India, Pakistan, and Iran have already indirectly joined the alliance (at least they demand a reduction in the West's military presence in the region); (4) China is using the SCO not only as a foothold to fortify its presence in Central Asia, but also as a tool to oppose the U.S.-led alliance in the APR and to build up its own influence in Southwestern Asia, the Middle East, East Africa, and the Indian Ocean.

To a great extent these fears are justified. Russia and China deny any intention to turn the SCO into an anti-Western alliance and insist on its economic nature, but this prospect cannot be ruled out altogether.

The above confirmed the thesis that thanks to the SCO, Beijing acquired the entirely legitimate possibility of acting in the post-Soviet expanse according to the CIS's unwritten rules. What is more, this does not raise objections either from Russia or the Central Asian countries; in fact, China's involvement is approved. In other words, China acquired the possibility of playing, without hindrance, on the contradictions inside the CIS and among various groups in all the countries without being accused of expansionism and subversive activities.⁴⁴

Why did this happen in Central Asia where Russia had dominated for so long? The answer is easy: early in the 1990s when Russia vacated the region on its own free will, China merely seized the opportunity. In the middle and late 1990s, while Central Asia was busy identifying its geopolitical priorities, Russia was engaged elsewhere. First, it was building up contacts with the West and later it was engaged in sorting out its contradictions with it. Central Asia was obviously beyond the range of its attention. When it dawned on it that regional developments were threatening its security, Russia deemed it necessary to move into the region to fortify its position there. It became obvious that Russia's "imperial ambitions" were as strong as ever, which caused concern among the Central Asian republics.⁴⁵ Second, China, which had already entrenched itself, was regarded as a welcome alternative to Russia; Russia would have to prepare itself for stiff competition with the PRC. Early in the 2000s, America and NATO, which incorporated Central Asia into the sphere of their strategic interests,⁴⁶ established their military presence in the region, thus challenging both Russia and China. Russia-China rivalry developed into a partnership in which China played the first fiddle for obvious reasons.⁴⁷

⁴² See: *Joint Statement by President George W. Bush and President Vladimir V. Putin on Counterterrorism Cooperation*, 24 May, 2002, available at [<http://www.whitehouse.gov/news/releases/2002/05/24>].

⁴³ See: "The Axis of Nay Sayers," *The Wall Street Journal*, 7 July, 2005; Ch. Brown, "Signals from Uzbekistan," *The Washington Times*, 15 August, 2005; "Russia, China Looking to Form 'NATO of the East'?" *Christian Science Monitor*, 26 October, 2005; "China's Question," *Project Syndicate*, 20 December, 2005.

⁴⁴ See: G. Kunadze, "Shanghaiskaia organizatsia sotrudnichestva—mistifikatsia ili real'nost'" in: *ShOS: stanovlenie i perspektivy razvitiia*, p. 139.

⁴⁵ Here is one of the methods for choosing priorities: "Development of the CSTO will inevitably strengthen Russia's position both inside the structure and in the region. The Central Asian republics find the SCO more attractive because two powers seeking domination in the region—Russia and China—are involved in it. The SCO has no (openly demonstrated) anti-Western (anti-American) designs. The SCO is trying to exceed the limits of a military organization by expanding the cooperation fields with the member states" (E. Karin, "ShOS i ee znachenie dlia Tsentral'noy Azii," *ASSANDI-TIMES*, 25 June, 2004).

⁴⁶ See: A. Catranis, "NATO's Role in Central Asia," *Central Asia and the Caucasus*, No. 5 (35), 2005, pp. 37-44.

⁴⁷ In October 2005, at a meeting of the SCO Council of Heads of Government in Moscow, Beijing revealed, for the first time at the high level, its geopolitical ambitions and claimed the role of the Central Asian leader by placing on the

The newly developed partnership is burdened with numerous problems caused by the objective difficulties in the two countries' bilateral relations, Russia's and China's vague relations with the West and the United States as its part and the potential conflict between China's ambitions and Russia's historical memory of its domination. So far, the sides have to pool forces to downplay America's influence in Central Asia. In this respect, the partnership and the SCO, as its main instrument, are effective enough. So far, no one knows what will happen to the partnership and the SCO when China becomes stronger, while the common aim has disappeared.

After signing the Declaration on Establishing and Developing Strategic Partnership with Kazakhstan in July 2005, Beijing demonstrated that it regards the region as a sphere of its strategic interests. So far, no one knows how China will act when the U.S. leaves Central Asia and when its partnership with Russia ceases to be a priority.

Chinese experts are making no secret of the fact that the SCO is a mechanism that allows China to be directly involved in the region and closely follow the local developments. It will act in its own interests, which, at some point, might clash with Russia's interests and strategy. In this case, China will probably ask the local countries to choose between its "investment potential" and Russia's "imperial ambitions." So far this is a probability that might become a possibility. Even though there is fear about "Chinese expansion," the political elite and the public of Central Asian countries regard Beijing as a possible alternative to Moscow. This should be taken into account.

negotiation table a weighty argument in the form of \$900 million export credits for the SCO members with 2 percent interest and repayment period of 20 years. At the same sitting, Chairman of the PRC State Council Wen Jiabao outlined the economic priorities, which when realized would create conditions for a China-initiated free trade zone in the SCO expanse. He also pointed out that his country planned to increase the sum in the near future (see: *Xinhua*, 26 October, 2005). In ordinary language, this means that the head of the Chinese Cabinet was prepared to fund the SCO economy. It challenged Russia, which regards the region as its foreign policy priority, not the West.