CHINA IN CENTRAL ASIA: THE FIRST STRAND OF THE SILK ROAD ECONOMIC BELT

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To understand the Belt and Road Initiative, Central Asia is a good place to start. The broader vision that has been laid out as the Belt and Road was born out of a pair of speeches delivered in Kazakhstan and Indonesia in 2013. The decision to start with Astana, Kazakhstan was not an accident. Laying out his concept for a Silk Road Economic Belt that would tie China across the Eurasian heartland to Europe, Xi Jinping was in essence stamping his branding on something that had been taking place for almost two decades previously as Beijing’s westernmost province of Xinjiang sought development and did this through growing economic integration into its immediate economic neighbourhood. In many ways, the Belt and Road Initiative is the internationalization of a policy that had been playing out in Central Asia for many years prior, turning this regional approach into a brand that became the articulation for Chinese foreign policy under Xi Jinping. Therefore, to understand how the Belt and Road might play out in the future, it is useful to look back to Central Asia.

China’s history with Central Asia is as young as the countries themselves. Born out of the end of the Cold War and a need to determine China’s borders with the former Soviet space, the “Shanghai Five” grouping was initially a format to bring together the five leaders of China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan to seek to delineate their borders. Having created this format and achieved some success in determining their borders and other security issues amongst themselves, in 2001, the grouping was expanded to include Uzbekistan and formalized into a multilateral organization called the Shanghai Cooperation Organization (SCO). Two Secretariats were established – one in Beijing, and one in Tashkent to focus on counter-terrorism as the Regional Anti-Terrorism...
Structure (RATS). Every member of the organization joined the SCO for different reasons, with the newly independent countries of Central Asia keen to join any multilateral organization where they were given an equal voice. For Russia, the aim was to keep a check on Chinese activity in their backyard, while for China it was an attempt to create a vehicle that would help with their economic engagement with their immediate neighbourhood in Central Asia.²

But this aspect of Chinese engagement under the SCO never really came to pass. Any Chinese attempt to create economic structures under the organization were frustrated by the other members who resisted China’s attempts to push the organization in an economic direction. Chinese experts and officials would regularly advance presentations replete with ideas for what an SCO Free Trade Area would look like³, how the SCO could create a development bank⁴, and what joint accounts China could help foster under the organization. During a visit to Central Asia in 2012 the author heard about construction projects after the riots in Kyrgyzstan being planned under the auspices of the SCO.⁵ And Central Asian members would occasionally raise the prospect of hosting institutions under the bigger organization.⁶ However, these were largely blocked (with some exceptions, like a coordinating Interbank body which sought to bring together regional development banks to coordinate projects and investment⁷ – though it is unclear the degree to which this has actually happened) and instead the organization moved in an increasingly security direction as the members concluded that the issues they most easily agreed on were associated with hard power security questions.⁸ Counter-terrorism in particular became a banner around which all of the members could gather. For all the powers, the fear of anti-state groups (whom they defined as terrorists) mobilizing against the government was a major concern, and therefore provided a useful convening concept around which they could all agree.

For China, the long-term answer to these difficult security questions is economic prosperity. The creation of a context in which people are able to become rich is a context from which stability would flow. Prosperity would mean that they would reject terrorist ideas (defined in China as separatism, extremism and terrorism – a founding concept at the core of the SCO). Consequently, the push to improve prosperity in the Chinese concept became a key to dealing with the fundamental security issue which Beijing’s leadership worried about.
The problem for Beijing is that Xinjiang is a region as far from China’s prosperous coasts as the landlocked Central Asian countries to which it is adjacent. Consequently, in order to develop Xinjiang, Beijing needs to upgrade the economic fortunes of the region adjacent to Xinjiang in Central Asia. For Xinjiang to become as prosperous as China’s eastern seaboard cities and regions, it would need to be more open economically to its immediate regions and more able to benefit from trade with and through them across the Eurasian heartland. This vision was one that was not new to Xi Jinping, but was rather a logic that had been regularly advanced by Chinese leaders as the answer to the lack of prosperity in China’s heartland.

It was not clear, however, whether this vision was delivering success nor that much effort had been dedicated towards it. For China’s leadership, the priority was China’s richer coastal cities and Xinjiang was largely left to the governorship of regional leaders. While Xinjiang was strategically important and occupied a space which was adjacent to some potentially problematic countries, Beijing’s leadership attention was focused elsewhere, primarily the United States and national domestic economic growth. Xinjiang, it was largely hoped, would eventually be dragged along with the rest of the country.

But things were rudely brought to a head in July 2009 in the wake of horrendous riots in Xinjiang which led to the deaths of over 200 citizens and the apparent loss of control in one of China’s provincial capitals, Urumqi. The situation was such that then-leader Hu Jintao was obligated to leave an international G8 gathering in L’Aquila, Italy to rush home to manage the situation. In the wake of these terrible events, it was clear that a revisiting of China’s approach to Xinjiang was needed whereby the previous approach of largely leaving the story to play out according to a timetable set by the regional governor Wang Lequan was no longer working.

Rather, in the wake of the riots, a series of steps were taken. Senior figures in the region, including Wang Lequan, were moved on, and a major work conference was convened on the region. Amongst the many outcomes was a renewed push to develop the region’s economy, focusing on linking its poorer sections with China’s richer coastal cities. Ideas, party cadres, funding and more were linked to the specific parts of Xinjiang, alongside a massive re-allocation of capital and effort within China to help push the region to prosper. The result was to also increase the volume of support and effort going across China’s borders into Central
Asia as well. For these economic opportunities to work in Xinjiang they would need markets to access and places to export their goods to. As Wen Jiabao put it to the Second China Eurasian Expo, the goal was to make Urumqi, Xinjiang’s capital, “the gateway to Eurasia”.¹⁰

This meant more construction and development was needed, in terms of opening up markets, helping develop local economies and improving connectivity. This was the logic that had largely been advanced earlier, but failed to deliver. It was a vision that was now delivered through financing provided by state owned policy banks who would offer loans to Central Asian countries to hire Chinese firms to implement projects in their countries.¹¹ This was matched with a feverish building spree within China, with Xinjiang’s many links with Central Asia re-built and strengthened. Roads, rail, dry ports, crossing points were all needed to help improve Xinjiang’s ability to trade and improve its economy. Starting in Xinjiang, going through Central Asia and ultimately to reach over to the other end of the Eurasian continent, the aim was to use connectivity to transform and develop Xinjiang and its immediate region.¹²

First formally advanced in the wake of the 2009 riots, the idea was one that became with time the foundational concept which became the Belt and Road Initiative. Coming into power in 2012, President Xi saw what was taking place in Xinjiang and, bolstered by academic ideas advanced by Peking University’s then-dean of the School of International Studies, Wang Jisi, decided that the underlying approach being undertaken in Central Asia was one that was more broadly applicable.¹³ Rather than let the connectivity story be one that played out only through natural economic geography, President Xi decided to inculcate the concept as China’s main foreign policy concept.¹⁴

The narrative offered is in many ways a deeply attractive one. From Beijing’s perspective, the central thrust of foreign policy was to develop trade and economic corridors emanating out from China. Making money and improving prosperity becomes the articulation of China’s foreign policy with the world. This becomes the central articulation of the Belt and Road as delivered through speeches in Astana, Kazakhstan and Jakarta, Indonesia – the first being a very conscious choice to highlight the connection to China’s earlier policies towards Central Asia.¹⁵

From an analyst’s perspective, this therefore provides a useful case study for China’s broader vision. If Central Asia is the first strand of the Belt
and Road, and it is a corridor which has been going in some gradual form or another since the end of the Cold War with a supercharging in 2010, it provides a useful model to understand the broader consequences of China’s approaches under the Belt and Road.

To understand what this looks like in practice, it is useful to focus on three aspects of China’s relations with Central Asia in turn: economics, politics and security, and to assume a longer analytical view in considering what the impact has been of China’s developing relations in Central Asia in particular. While from Beijing’s perspective, these three are deeply intertwined with economics as the single-minded focus, the reality is that it is almost impossible to detach them from each other. The relationship between a state’s economic welfare, its political life and security posture is almost impossible to completely separate — a reality which somewhat complicates the non-interference concept that lies at the heart of Beijing’s view of its relationship with the world.

The economics of China and Central Asia flows through three main axes: extractives, infrastructure and markets. And in every case, the relationship is one which is far more complicated and substantial than is often captured through easy characterizations. For example, while China is increasingly one of Central Asia’s largest consumers of hydrocarbons, it is also a major purchaser (and owner) of copper, zinc and gold mines. In addition, Chinese agribusiness has an ever-expanding footprint in the region, and growing deals have been established to bring agricultural products from Central Asia to Chinese markets.16

A growing volume of this material is moved along on roads that are built by Chinese contractors, as well as through rail links that have been increasingly refurbished and built by them across the region connecting through expanded land ports in Khorgos and the Dzungarian Pass.17 But Chinese infrastructure stretches far beyond just building roads and rail – Chinese firms are delivering telecoms infrastructure, energy infrastructure (power stations, power lines, and home metering systems), as well as a wide range of other construction opportunities. For example, Chinese cement firms have focused on expanding their presence in the region both to help physically build infrastructure while also expanding their markets.18

All of this economic activity has a natural overspill into local politics, in terms of local leaders seeking Chinese support as well as China recognizing that it needs to ensure that it has won over local populations to its
projects. From Beijing’s perspective, this is delivered through a web of influence activities that are both covert and obvious, while at the same time to some degree a natural reflection of the changing economic geography that is taking place across the region. For example, China has established Confucius Institutes at a number of institutions across the region as well as provided Hanban teachers to language Universities in Turkmenistan. Chinese Ambassadors are increasingly present in the local press, and participants in local discourse.19

But in some ways most striking is the growing presence of young Central Asians who are studying or have some experience in China. This is either as students seeking opportunities in China, being pushed by their parents to study Chinese to enable easier market trading opportunities for family businesses, or more simply taking advantage of the volume of scholarships that China offers to young or mid-career Central Asians. Visit most Ministries and a growing volume of people can be found who have some functional Mandarin; visit major Chinese cities like Shanghai, Urumqi or Beijing and growing numbers of Central Asian students can be found.20 All of this suggests a generation which is growing up with an orientation and view of the world which is more shaped by relations with China than the West. While the West remains an aspirational target for most young people, and the region still appeals to its European heritage, China’s long-term soft influence is palpably growing.

This soft power stretches into the security arena where China has increased its footprint in the region through support for local security forces and the provision of training and equipment, as well as a growing volume of didactic programmes that are growing the percentage of officers who speak workable Mandarin or have spent some time in China. This is most visible through the creation of the China National Institute for SCO International Exchange and Judicial Cooperation (CNISCO), which was established at the Shanghai University of Politics and Law to provide a place where interior and border security forces from across SCO countries could come and train.21 Previous programmes were more basic and simply focused on bringing individuals or teams to Nanjing to study Mandarin, and into Xinjiang to train alongside local security forces. This all comes atop long-established programmes bringing Central Asian security officials to China’s premier security training institutions like the Academy of Military Sciences or National Defence University.22
Focusing in particular on Central Asia, China has also undertaken a growing volume of bilateral training exercises through the SCO. A large number of the broader SCO “Peace Mission” joint exercises seem focused on training with Russia, providing the PLA with an opportunity to gain greater experience and practice in interoperating with more experienced armed forces on the battlefield. But within a Central Asian context, it has provided an environment in which Chinese forces have worked closely with their counterparts in countries where Chinese security concerns are fairly acute. For example, while most SCO exercises involve multiple actors across the region, with Kyrgyzstan and Tajikistan, China has undertaken specific bilateral exercises focused on counter-terrorism and border security. This on top of a growing volume of gifts of equipment to security forces in both countries, including bases, regular support when they are due to host SCO summits, other more basic equipment (including radio and technical equipment which is provided both through grants and gifts from security forces, but also straight sales) highlights a growing relationship. At a normative level, through the SCO and other bilateral security engagements, China has also managed to increasingly influence regional powers to emulate their approach to online security and countering the spread of what they deem extremist messaging online.

Finally, within the security space, China is also gradually growing the volume of higher end military sales that it is doing in the region. From purchasing equipment from the region, China has now started to undertake a range of higher level activities that are focused on providing arms and weaponry to regional powers. This is most salient amongst the richer regional powers – with Chinese firms selling UAV platforms to Turkmenistan, Uzbekistan and Kazakhstan. With Uzbekistan, the sales have included a reported factory where the UAVs will be assembled in Central Asia. In addition to this, China has reportedly sold missile systems to Turkmenistan and a growing volume of Chinese firms are present at the bi-annual KADEX security expo in Kazakhstan. China is still a long way from displacing Russia as the traditional security provider in the region, but the in-roads in high end platforms suggests a range of future opportunities which favour China.

This brief pen portrait of China’s relations with Central Asia illustrates the complex and comprehensive nature of Beijing’s growing influence across the region. Far from being a power that is solely focused on one aspect of the relationship, Chinese firms, government and influence is stretching across Central Asia both in geographical and normative
terms. This is a product in part of physical proximity which both gives China an easy springboard into the region, but also provides it with a particular interest in ensuring the region’s prosperity. As illustrated before, China’s interest in Central Asia stems primarily from the hoped for beneficial knock on effect that Central Asian prosperity will have on Xinjiang, helping bring prosperity and consequently stability to the region. By turning Urumqi into the gateway for Eurasia through the first of the Belt and Road routes, China is intimately binding itself to Central Asia (and beyond), while also creating prosperity and stability at home.

But while this is China’s intention, it is not of course how it always plays out on the ground. There are consequences to this growth and influence on the ground which provide a sketch of some of the longer-term impacts of not only China in Central Asia, but the Belt and Road more broadly. In the author’s analysis these are captured through seven broad headings.

The first and most visible impact of China’s growing footprint in Central Asia is a growing number of Chinese nationals in the region. Given China’s history with the region goes back decades, this means there is a cadre of Chinese living in Central Asia who have deeply ensconced themselves within local societies. These have been substantially supplemented through large numbers of Chinese workers who have come to deliver infrastructure projects, extractives fields, or work as managers for Chinese firms operating on the ground. These numbers have become so substantial that Central Asian countries have often chosen to restrict or control access, and there are regular reports of clashes between communities of Chinese and Central Asian workers on projects. Chinese companies often advise their Chinese labourers to stay on sites or avoid fraternizing with local communities. This is in part a security consideration, but also a product of the potential clashes that are generated.

For Beijing this community presents a two-fold issue. On the one hand it provides a political dilemma – the large Chinese population becomes the face of China in the region and any clashes or tensions between them and the local communities becomes a flashpoint Beijing has to manage. But the community also presents a target for those seeking to strike China. This is most problematic when they become the targets of terrorist attacks (such as the bombing of the Chinese Embassy in Bishkek in May 2016, or earlier killings of diplomats in the city), but also when they become embroiled in local instability or the targets of criminal networks. This is increasingly a community which feels that Beijing should
be helping provide for their security, and China will in some cases struggle to be able to completely pass along all responsibility to local security actors. As was illustrated above, China provides a growing volume of security equipment and training to Central Asia, and in particular Kyrgyzstan and Tajikistan, countries where there is a growing volume of Chinese nationals and a weak local security capability.

This presents China with a dilemma – Beijing would rather locals managed their security problems and protected their nationals by themselves, but in the absence of effective local forces, China needs to find alternative potential solutions. This gives China an incentive and interest to take a greater interest in local security questions – something that in the Central Asian context is further accentuated by the fact that China’s Uighur community has deep links across Central Asia as well, providing China with an additional layer of potential concern. Whether using its own forces, proxies or developing more private military firms, China is increasingly exploring new tools to deliver security on the ground. This highlights a growing concern that China will find as its belt and road presence around the world continues to grow.

The second, long-term impact of China’s growing footprint in Central Asia is the growing volume of Central Asians who speak mandarin or have studied in China. As mentioned above, a growing number of middle-class families are sending their children to Chinese universities, taking advantage of scholarships or the practical benefits of having a child who is able to operate in the midst of the economic boom story that is happening in their region. This is further magnified at a governance level, where China has run training programmes for security officials at numerous levels as well as with key bureaus in Presidential administrations. All of this has increasingly created a growing cadre of middle class and ruling elite communities who have some connection with China. This link is one which will undoubtedly re-shape thinking and orientation and will create a web of soft power connectivity or links that will change China’s role and influence in the region in the longer-term. This will stretch across society, and in turn globally, increasing China’s soft power influence around the world.

This brings on to the third impact, that of China increasingly displacing regional hegemon powers. As China becomes a more significant player in regions like Central Asia, it starts to displace the local historical hegemon. Within Central Asia this is Russia, and while Moscow remains the preeminent influential actor within the region (reflected in
the fact that new leaders will still tend to make Moscow their first port of call following elevation amongst other indicators), it is clear that there is a gentle shift happening. It is visible through a re-wiring of the region’s infrastructure, and the gradual growing influence that is visible from Beijing across the region. As this plays out, it not only changes the economic geography of the region, but also impacts the security and political relationships that the local government will look to as an important partner. Played out in the longer run this can lead to a competitive environment that can transform a country’s outlook and perspective. Looking beyond Central Asia this can have a huge impact on other Belt and Road countries in institutions like the Commonwealth or across Africa where European powers have previously held sway and influence.

There is a downside to this from Beijing’s perspective though, coming to the fourth impact, which is that as influence increases this means that countries will increasingly look to Beijing to resolve local clashes they are facing and unable to resolve themselves. Within Central Asia this means a growing push for China to play a more substantial role in Afghanistan, as well (potentially) as Beijing playing a broker role in clashes between Central Asian leaders. While China may stick to its narrative of non-interference in the internal affairs of others, there is a question about whether this is sustainable if you are the major economic actor in a country. Not only does it become important for your own interests to ensure you have some influence, but it also means that you find yourself obliged to play some sort of a role.

Another negative side of this expanded influence and presence on the ground is that Beijing and Chinese actors on the ground also become a target of local anger. This fifth impact can be both direct and indirect – for example, the attack on China’s Embassy in Bishkek, or the attack on the Chinese consulate in Karachi are both examples of direct targeting of Chinese interests. But just as often as these attacks are attacking China directly, they can also be targeting China as a way of attacking the local government. As the local authorities’ increasingly influential and powerful outside partner, China can be a useful proxy for locals eager to express their anger against local authorities but fearful of direct protest. Nationalist moods are often harnessed by authoritarian governments to justify their hold on power, but this means that when local protestors attack an outside presence like China under a similar veil, when in fact they are angry at the local government, it becomes harder for the local authority to react. This creates a tension between China and the local authorities
which can both complicate the delivery of projects but also present a
direct security problem. As China becomes a more prominent actor
around the world, becoming a target of local anger is going to be an
increasing issue in many different forms, often as a result of actions
not by Chinese actors but local authorities they are partnering or
working with.

Furthermore, Chinese actions and deals in third countries can in fact
exacerbate the very problems that are behind local anger, coming to the
sixth impact. In countries, like the Central Asian states, with dominant
central authorities there is often a problem of locals feeling left out
from the decision-making process around projects that are taking place
in the environment around them. China’s projects merely support this
narrative and direction, being for the most part government-to-govern-
ment projects funded through state-owned policy or commercial banks,
and delivered by state-owned firms. And even private Chinese firms
that are operating in third countries will find themselves delivering pro-
jects that by their scale tend to have some link to the local state apparatus.

Yet in these same countries, many local problems and conflicts will often
emanate from tensions between the government and local communities.
By China focusing its economic investment relationships through the
capital city and central government authorities, Beijing may in fact be
exacerbating intra-country tensions. Heavy Chinese investment in a
region delivered with approval by the central government in that
country may be perceived by those on the ground as merely another
branch of a predatory and antagonistic central government whom they
have long seen as an adversary. China will find itself in the cross-hairs
of local anger, exacerbating local tensions as well as creating potential
security risks to its investments and any workers deployed to deliver it.
This has already been seen in parts of Kyrgyzstan, Kazakhstan and Taji-
kistan, but will undoubtedly become a major problem around the world
given the fragile states with authoritarian leaderships where China
often finds its Belt and Road investments going.

Finally, the seventh impact in the list is the narrative vision that China has
managed to project under the Belt and Road within both Central Asia and
beyond. By articulating an overriding foreign policy vision which aims to
build trade and economics corridors emanating out from China in every
direction which are focused on improving prosperity, growth and open-
ness, China is rhetorically projecting a foreign policy vision which can
in many ways be summed up as “making money together”. This is not
to make a value judgement on the reality of this vision, but by creating a
narrative which can be summed up thus, China is producing a positive
foreign policy vision for the world which few would disagree with.
And to some degree this is reflected on the ground, where notwith-
standing the various strands of anger that are illustrated in this article, very few
in Central Asia would say that they do not want Chinese investment.
They may be concerned about some of the consequences of it, but
broadly speaking they are eager to receive the money and investment.

Normatively speaking this places China in a highly positive position on
the world stage. Beijing can paint itself as a power which is broadly
speaking promoting prosperity and opportunity around the world, with
the underlying intention to increase stability through this prosperity.
The realities around this may be questionable, but it is a fairly easy
vision and concept for governments around the world to align themselves
with. This plays in contrast to a current American administration that
seems set on confrontation around the world, European and western
powers who drive forwards democratizing agendas, or powers like
Russia who aim through subversion to gain relevance and disrupt the
global order. Through the Belt and Road, China can paint itself as the
world’s connector focused on prosperity and opportunity, and to some
degree this is how the country is seen on the ground. People may read
stories of debt-driven diplomacy or be concerned about local environ-
mental or labour issues they feel, but they also do see the volume of
investment coming into the country through China. This vision that
China is able to project is hugely positive and confuses how third
countries in turn react to it, and some of the broader trends in international
relations. For example, in the current US–China clash that is taking place,
for Belt and Road countries that are recipients of Chinese investment, it
becomes more challenging to side with the United States when the Amer-
ican narrative is one of rejecting opportunity. While Washington is doing
a great deal to change this, China has to some degree started out of the
gate with an attractive narrative that complicates how countries will react.

All of this serves to illustrate some of the longer-term potential impacts of
Chinese investment and influence under Belt and Road rubric. While
some of these may at first blush appear more Central-Asia specific, the
reality is that they are universal issues whose resonance may be the
true long-term effect of Chinese investment. It is certainly the case that
Central Asia as a region is more significant for China than some of the
further flung countries captured under the Belt and Road (the tie to dom-
estic stability in Xinjiang illustrates this most vividly), there are issues
playing out in Central Asia which will provide something of a sketch of what might be coming further down the road around the world. China has long treated Central Asia as a testing ground for its broader foreign policy efforts, it is therefore hardly surprising that Xi Jinping’s keynote vision similarly grows from a strategic effort that has long been playing out in the region.

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NOTES

5. Author interviews in Bishkek and Osh, September 2012.
6. For example, the Kyrgyz have long sought to host the Development Bank HQ. ‘Presence of SCO Development Bank’s Head Office in Bishkek is Crucial for Kyrgyzstan: Atambayev’. AKI Press, June 24, 2016 or ‘Kyrgyzstan Supports Establishment of SCO Development Bank - Minister of Finance Zhaparov’. AKI Press, May 22, 2012.
20. Author interviews in Urumqi and Shanghai in 2012 and 2014.
22. Author interviews in Beijing November 2018.
31. Author experiences during visits to Central Asia.