

China in Central Asia

Harmonizing Mackinder's Heartland

By Ming-Te Hung and Fanie Herman

China is currently one of the most consequential actors in Central Asia. As General Liu Yazhou of China's People's Liberation Army (PLA) once put it, Central Asia is "the thickest piece of cake given to the modern Chinese by the heavens."¹ China's strategy in Central Asia is to develop the region as an economic partner; connect East Asia and Western Europe; and create a more prosperous neighborhood with which Xinjiang, China's westernmost province, can trade. However, development can only take place if the immediate periphery is stable and prosperous, and for this reason, the Shanghai Cooperation Organization (SCO) was established. The SCO is the main multilateral vehicle for Chinese regional efforts to reassure engagement and establish cooperation with other member nations. A vital concern for decisionmakers in Beijing is to gain access to the natural resources of the region. The pumping of oil and gas in Turkmenistan, Uzbekistan, and Kazakhstan is indicative of this position. This essay is an attempt to provide a basic understanding of China's foreign policy in Central Asia since the end of the Cold War with an emphasis on China's economic relations with Central Asia and Beijing's strategy in the region through utilization of soft power.

Why China?

China's rapid economic rise is arguably one of the most important phenomena of the new century. As early as 1993, *New York Times* reporter

Nicholas Kristof pointed out China's rapid growth, which soared at approximately 9 percent of GDP per year and reached double-digits in the new millennium. Adjusted for purchasing power, China stands as the second-largest economy in the world after the US with a 2012 GDP of over US \$15 trillion. China's foreign trade has grown from US \$13.98 billion in 2005 to US \$36.68 billion in 2012.² China's rising economic power has raised concerns about how the country will use its new capability. With the Chinese Communist Party still in place, the PLA continues to exert strong influence in China's decisionmaking. Chinese policy remains rigid with regards to territorial issues that are deemed as its core interests (*hexin liyi*) such as Taiwan, Tibet, Xinjiang, and the South China Sea; and Beijing has demonstrated its inflexible stance by making strong military gestures accordingly. China belongs to the nuclear club, and in 2012, its official defense budget was approximately US \$103 billion.³ A growing military budget is a notable trend in China's rise in power, with defense spending growing approximately 40 percent from 2000–2008.

Besides increased economic and military power, China's soft power efforts expanded as well.⁴ Observers have argued that the rise of China is not simply an expansion of hard power but also accompanied by tremendous efforts to develop soft power. In one provocative work, journalist and Council on Foreign Relations Fellow R. Joshua Kurlantzick describes how



The leaders of the Shanghai Cooperation Organization (SCO) pose for a group photo in Bishkek, Kyrgyzstan, September 13, 2013. From left to right: President of Uzbekistan Islam Karimov, President of Kazakhstan Nursultan Nazarbayev, President of the People's Republic of China Xi Jinping, President of Kyrgyzstan Almazbek Atambayev, President of Russia Vladimir Putin, and President of Tajikistan Emomali Rahmon. Source: *English.News.Cn*. Photo by Huang Jingwen.

In the beginning of the twentieth century, Mackinder asserted that “whoever gains control of Central Asia gains control over the Eurasia continent; whoever controls Eurasia gains control over the world.”

China has expressed global influence through soft power, or what has come to be known as Beijing’s “charm offensive.”⁵ Concrete evidence of China’s expanding soft power can be seen in the learning fever for Chinese known as Zhongguore and the continuing expansion of state-sponsored Chinese learning centers, so-called “Confucius Institutes,” across the world. Currently, China has seven Confucius Institutes in Central Asia: two in Kazakhstan; two in Kyrgyzstan; and one each in Tajikistan, Turkmenistan, and Uzbekistan.⁶

Central Asia: The Neglected Front

Despite containing “Asia” in its name, Central Asia—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan—has not received as much attention as other regions in Asia have in recent years. However, Central Asia should not be discounted from global politics. The region plays an important role in geopolitics, energy security, and regional cooperation.

In terms of global geopolitics, Central Asia occupies an important strategic position. As the geographic center of Eurasia and hub of the Eurasia Silk Roads, Central Asia is the “heartland” or “pivot area,” terms coined by the British geographer and geostrategist Halford Mackinder. In the beginning of the twentieth century, Mackinder asserted that “whoever gains control of Central Asia gains control over the Eurasia continent; whoever controls Eurasia gains control over the world.”⁷ The statement boldly captures the critical status of Central Asia.

Energy resources are another factor that contributes to Central Asia’s important role in global politics. Most of the resources in the region remain under-developed, especially oil and natural gas in inland waters. Central Asia remains one of several regions in the world with great potential for energy development in the twenty-first century, trailing only the Middle East and Siberia as the third-largest oil reserve in the world. Land oil resources are mainly in Kazakhstan and Turkmenistan, and with an estimated potential production of thirty billion barrels of oil, the potential production

of petroleum underwater falls in the range of fifteen to forty billion barrels.⁸ Central Asia harbors great potential for energy export. The region’s capability for net petroleum exports per year had reached almost fifty-five million tons by 2010. Experts speculate that by 2020 Central Asia will be able to export as much as seventy-eight million tons of petroleum per year.⁹

Currently, much attention in Central Asia is centered on the Shanghai Cooperation Organization. In 2001, China, Russia, Kazakhstan, Tajikistan, Kyrgyzstan, and Uzbekistan signed the Declaration of the Shanghai Cooperation Organization and officially gave birth to the organization. With a total landmass that covers three-fifths of the Eurasian continent, the SCO is one of the largest regional organizations to date in terms of geography, exceeding the European Union (EU), the North American Free Trade Area (NAFTA), and the Association of Southeast Asian Nations (ASEAN) in size. The five countries of Central Asia combined have a population of sixty-four million people, considerably less than Russia’s current population of 143 million people.

Economic Relations

In the words of China’s Vice Minister of Commerce Jiang Yaoping, “Since the establishment of diplomatic relations, China’s trade with Central Asia increased nearly one hundredfold.”¹⁰ Bilateral trade took off over the past decade thanks to China’s own economic growth and the voracious demand of its people as a result of an increased living standard in the same period. Table 1 illustrates China’s trade with the five countries of Central Asia from the turn of the century to 2012. Currently, China serves as Kazakhstan and Turkmenistan’s largest trade partner, second-largest trade partner of Uzbekistan and Kyrgyzstan, and third-largest trade partner of Tajikistan.

Among the Central Asian countries, China’s relations with Kazakhstan are particularly important. Not only does Kazakhstan stand out as the largest country in the region, but it also contributes to more than

Table 1: Trade between China and Central Asia (2000-2012)

	China–Kazakhstan		China–Kyrgyzstan		China–Tajikistan		China–Turkmenistan*		China–Uzbekistan	
	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export
2000	6.737	1.510	0.670	1.100	0.103	0.067	0.040	0.121	0.120	0.394
2001	6.596	1.720	0.420	0.770	0.053	0.054	0.012	0.314	0.076	0.507
2002	10.230	3.130	0.560	1.460	0.058	0.065	0.007	0.867	0.274	1.042
2003	16.531	5.237	0.690	2.450	0.180	0.208	0.037	1.090	2.002	1.462
2004	19.673	7.582	1.100	4.930	0.153	0.535	0.138	0.848	4.027	1.724
2005	24.239	12.518	1.050	8.670	0.142	1.437	0.189	0.908	4.510	2.302
2006	35.925	19.249	1.130	21.130	0.180	3.060	0.160	1.630	5.658	4.061
2007	56.396	35.073	1.120	36.670	0.102	5.130	0.500	3.030	3.633	7.659
2008	76.766	45.650	1.200	92.100	0.200	14.800	0.280	8.020	3.304	12.774
2009	58.890	35.700	0.480	52.280	1.850	12.200	0.380	9.160	34.938	15.568
2010	101.200	39.600	0.286	66.600	0.560	13.750	10.450	5.250	12.992	11.780
2011	153.800	95.700	0.980	48.780	0.710	19.970	46.900	7.900	8.067	13.590
2012	164.800	75.000	0.614	12.103	1.000	13.000	n/a	n/a	10.912	17.839

* 2012 figures for trade between China and Turkmenistan are unavailable. Source: Ministry of Foreign Affairs of the PRC, <http://tinyurl.com/15hrawk>.



Figure 1. Oil pipelines in Central Asia. Source: Julie Jiang and Jonathan Sinton, "Overseas Investments by Chinese National Oil Companies: Assessing the Drivers and Impacts," *IEA Information Paper* (February 2011), 19. Available online at: <http://tinyurl.com/owotp6>.

80 percent of total trade between China and Central Asia. Natural resources such as coal, petroleum, and natural gas constitute the bulk of Kazakhstan's foreign trade, accounting for nearly 80 percent of exports while exports of nonprecious metals such as chromite, copper, and lead account for another 10 percent. The China National Petroleum Corporation (CNPC) is a major contributor to energy trade between China and Kazakhstan, as the company currently participates in joint development with Aktobe Munai Gas, North Buzachi, Petro Kazakhstan, KAM, and ADM.

In terms of cooperation in infrastructure, China continues to pursue the establishment of a New Silk Road in Central Asia in which Kazakhstan plays a significant role. The Eurasian Land Bridge project that seeks to connect continental Asia with Europe enjoyed huge progress in recent years. In 2011, China and Kazakhstan completed the connection of domestic railway networks in the Chinese town of Khorqas, situated on the Kazak border. The joining of rails paved the way for the realization of the Yuxinou (Chongqing-Xinjiang-Europe) Railway, which greatly facilitates trade across the Eurasian continent.

China in Central Asia after the Cold War

The development of China's relationship with its Central Asian neighbors after the end of the Cold War encompasses three phases: the establishment and consolidation of diplomatic relations (1991-1996), settling of border disputes and cooperation in traditional and nontraditional security (1997-2000), and comprehensive cooperation under the SCO (2001-present).

Phase One: Following the collapse of the Soviet Union, the states of Central Asia achieved independence. With Soviet influence removed from the region, the cap was lifted for the spread of nationalism and religious ideology. For China, the new condition opened up opportunities for the

entry of terrorism, separatism, and extremism, collectively known as the "triple threat." In response to the new challenges, China strived to establish diplomatic relations with Central Asian countries, seek joint cooperation in trade and border security, and promote economic development in its western provinces. Between 1991 and 1992, China came to recognize the subsequent achievement of independence in Central Asia and established formal diplomatic ties with the region. China is one of the earliest countries in the world to recognize the independence of Central Asian states. In this phase, China and Central Asia focused on cooperation in politics and security.

Phase Two: In 1997, Chinese policy in Central Asia took a new turn with the signing of a cooperation agreement in oil and natural gas between China and Kazakhstan. Beijing's new focus was on the strengthening of cooperation in energy, trade, and security with Central Asia and the establishment of the "Shanghai Five"—China, Russia, Kazakhstan, Tajikistan, and Kyrgyzstan—for multilateral security cooperation. The Shanghai Five mechanism culminated in the Almaty Declaration (July 1998), the Bishkek Declaration (August 1999), and the Dushanbe Declaration (July 2000). As a result of Beijing's plan to hasten economic development and increase stability in the country's western provinces, the role of Central Asia in China's external trade expanded. In phase two, in addition to the reinforcement of political relations, China sought cooperation in energy, trade, and security with Central Asia.

Phase Three: Establishment of the Shanghai Cooperation Organization in 2001 symbolized yet a new phase in China-Central Asia relations. The SCO was the first multilateral organization in Central Asia to be named after a Chinese city. Through the SCO, China has continued to



Figure 2. Natural gas pipelines in Central Asia. Source: Julie Jiang and Jonathan Sinton, "Overseas Investments by Chinese National Oil Companies: Assessing the Drivers and Impacts," *IEA Information Paper* (February 2011), 33. Available online at: <http://tinyurl.com/owotp6o>.

strengthen relations with Central Asia. Beijing seeks to strengthen cooperation against the triple threat, develop cooperation in energy and trade, and resolve remaining border disputes in the region. Prior to the SCO, China was reluctant to participate in regional cooperation, and establishing this organization demonstrates a shift in China's strategic thinking from bilateralism to multilateralism.

Harmonizing Mackinder's Heartland

In 2003, the former vice principal of China's Central Party School, Zheng Bijian, coined the term "peaceful rise."¹¹ The move was a reaction against the so-called "China threat theory," a popular view held by realists regarding China's potential to destabilize global order with its newfound national power. However, "peaceful rise" was soon replaced by the concept of "harmonious worldview," as Beijing came to realize that "rise" implies an increase in relative power and potential challenge to the global status quo largely dominated by the US since the end of the Cold War. The "harmonious worldview" currently serves as the central tenet of Chinese foreign policy.

Three principles regarding PRC-Central Asian relations constitute "harmonious worldview." China allegedly seeks to promote multilateralism and realize common security, maintain mutual benefit and cooperation for common prosperity, and foster a spirit of accommodation that results in a jointly constructed "harmonious world."¹² In order to realize the principles, Beijing has attempted to pursue active multilateral diplomacy, promote a friendly regional environment, and emphasize "culture" in foreign relations. Ex-Chinese Premier Wen Jiabao's three neighbors (*sanlin*) proposal captures the harmonious policy well—be harmonious, pacify and enrich thy neighbor.

The SCO marks China's first attempt at harmonizing Mackinder's heartland. Besides a shift in strategic thinking from bilateralism to multilateralism, China is attempting to assure its western neighbors in Central Asia through the SCO that it is willing to seek cooperation and negotiate on issues of common interest. The SCO also serves as an institutional check against China by embedding the country into a regional security network. The fact that another major power, Russia, is an SCO member theoretically demonstrates China's efforts at displaying its peaceful intentions toward key regional players.

In addition, SCO serves the function of promoting economic relations between China and Central Asia. As political scientists Robert Keohane and Joseph Nye suggest, complex interdependence through entrenched economic exchange has the effect of making interregional conflicts less likely, if not obsolete. Chinese trade and investment in Central Asia has expanded vastly over the years. With bilateral trade leaping from a mere US \$547 million in 1994 to US \$459 billion in 2012, China is currently Central Asia's biggest trade partner.¹³ In the period between 2003 and 2010, Chinese investment in Central Asia has totaled approximately US \$22 billion, spread throughout natural resources, agriculture, mechanical, and automobile industries.¹⁴ In return, Central Asian states, particularly Kazakhstan and Turkmenistan, supply large amounts of oil and natural gas to China. In 2011, Kazakhstan exported 252,000 barrels of crude oil per day to China.¹⁵ The extensive network of pipelines that runs through Central Asia and connects China to energy sources in the Middle East and on the Eurasian continent adds to interdependence between China and Central Asia (see Figures 1 and 2).

Conclusion

It is clear that China has made inroads into Mackinder's heartland. With Confucius leading the way and the SCO serving as a forum for cooperation and dialogue, China is not bashful to let the world know of its alleged good will and benevolence. The many Chinese citizens who cross the region to work in the private sector or as government officials are the gradual vanguard of possible long-term investment and influence. It remains to be seen in the future if Central Asian states and Russia will be comfortable with increasing Chinese impact and influence in the region. ■

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