

BELT AND ROAD INITIATIVE AND ITS IMPACT ON CENTRAL ASIA*

Kemel TOKTOMUSHEV**

Exemplifying the old Chinese proverb “A near neighbour is better than a distant cousin”, China is switching its main foreign policy orientation from great power relations to neighbourhood diplomacy. Belt and Road Initiative (BRI) demonstrates that official Beijing is willing to advance its own vision of regional integration via its Silk Road Economic Belt and Maritime Silk Road projects, which may have significant implications on Chinese neighbours, and Central Asia will be amongst the first states to experience the ramifications of BRI.

China has long been using the Silk Road discourse in the context of Central Asia, but only recently this discourse crystallised into an official Chinese policy. In 2013, President of China Xi Jinping presented the Chinese vision of the Silk Road Economic Belt in Kazakhstan. The seriousness of China’s intentions to advance its economic vision in Central Asia has been underpinned by a series of visits by Xi Jinping to each Central Asian country, where Xi Jinping restated his commitment to invest approximately \$40 billion into the Central Asian infrastructure. The unveiling of China-backed \$50 billion Asian Infrastructure Investment Bank (AIIB) further confirmed the determination of China to expand its influence in Asia.

Nevertheless, even prior to these developments, China emerged as the major economic player in Central Asia. If in the early 2000s the International Monetary Fund estimated the Chinese-Central Asian trade to hit the threshold of \$1 billion, these numbers reached nearly \$50 billion in 2014. China also surpassed Russia as the region’s leading trading partner. For instance, in addition to breaking Gazprom’s gas monopoly across the region, China National Petroleum Corporation (CNPC) is currently well situated to

* Some excerpts have been originally published by the author on www.chinausfocus.com.

** Research Fellow, Institute of Public Policy and Administration, University of Central Asia and Assistant Professor, School of Arts and Sciences (Kyrgyz Republic).

act as a mediator in Central Asia—the China-Central Asia pipeline consists of three separate enterprises with 50% ownership between China and Kazakhstan, China and Uzbekistan and China and Turkmenistan. Moreover, China is continuing to invest significantly into transport and energy infrastructure in Central Asia such as Atyrau-Alashankou crude oil pipeline and Turkmenistan-China gas pipeline.

Being a key trading partner aside, China also became the Central Asia's largest lender and source of development finance. Since independence, Kyrgyzstan received nearly 1.6 billion USD from China (Ministry of Finance of the Kyrgyz Republic, 2017) in the form of loans and grants, which stands for almost half of Kyrgyzstan's total external debt. In a similar vein, the government-sponsored Export-Import Bank of China remains the Tajikistan's largest single creditor holding nearly 40% of Tajikistan's external debt (World Bank Group, 2015).

Accordingly, BRI appears to be a logical step for Beijing to implement in Central Asia. Based on implementation guidelines released by China's National Development and Reform Commission, BRI will promote policy coordination, facilities connectivity, unimpeded trade, financial integration, and "people to people bonds" (National Development and Reform Commission of the People's Republic of China, 2015) Credit rating agency Moody's has already issued a vote of confidence in BRI. Moody's reported that the Chinese initiative to enhance economic integration with the countries across Asia, Europe, and the Middle East is "credit positive" for the emerging market sovereigns involved (Moody's, 2015). In other words, the expectations are that the Central Asian states will be amongst the greatest beneficiaries of BRI interventions, as BRI will predominantly benefit smaller states with relatively low per capita incomes, low investment rates, and financing constraints on their current account positions.

Nonetheless, economic perspectives notwithstanding, the general perception of both the leadership and population of Central Asia towards China and its policies in the region remains more of a caution and a fear. Incomprehension of the Chinese foreign policy goals in Central Asia by local elites, in addition to a historic legacy of confrontation and antagonisms between the Chinese empire and Central Asian nomadic tribes, serves as a fertile ground for the popularisation of speculative knowledge.

As a result, Chinese initiatives in the region are clouded by rumours and conspiracies. Some people believe that Beijing seeks to subdue Central Asia economically in order to turn the region into its Western province. Others think that in reality Beijing seeks to capture the natural resources of Central Asia through the cover-up infrastructure projects. There are also those who

fear that China eyes the Central Asian lands as a solution to the Chinese problem of overpopulation.

In other words, sinophobia may emerge as one of the greatest obstacles for the Beijing-led regional integration. For instance, the land deals between China and Kyrgyzstan, China and Kazakhstan, and China and Tajikistan have already sparked public outcry in Central Asia and were used by local opposition leaders to rally against the ruling authorities. Although Beijing's longer-term goals are linked to the development and stabilisation of restive Xinjiang region, Central Asian elites perceive the Beijing-led regional architecture as one more tool of China to assert its regional hegemony.

In fact, it is not surprising that such sinophobic views prevail in the region. Central Asian states are yet to fully experience the benefits of evidence-based decision-making. The commitment of both Central Asian scholars and policymakers to opinion-based rationales can be attributed to the dominance of geopolitical mindset in the region as the legacy of the Cold War. Ruling elites in Central Asia have been raised on the Communist dogmas of class struggle. Thus, institutional knowledge inherited from the Soviet past explains the prevalence of opinion-based policymaking in the region, which relies on selective or untested evidence often inspired by geopolitical deliberations, ideological views, or simply speculative assumptions.

No wonder increasing Chinese engagement in the region is subject to conspirological theorising. Conspiracy theories are the discourses, which explain a significant event as secretly planned and executed by an agent or a group of agents (Heathershaw, J, 2012, pp. 610-629). The conspiracy theories about a "deep state" and "foreign threats" are amongst the most widespread conspirological narratives across the post-Soviet landscape, including Central Asia. The concept of a "deep state" attributes conspirological narratives to the internal affairs of the state such as the inner-workings of ruling clans, security services or powerful presidential families, while the concept of a "foreign threat" suspects the role of external actors interfering in domestic affairs. Being often the ideological artifacts of the Cold War, Central Asian conspiracy theories tend to legitimise the predominant order and reproduce elitism, patriarchy, and patronage as modes of governance in the region (Heathershaw, J, 2012, pp. 610-629). In other words, conspiracy theories emerge as convenient tools for ruling elites to justify certain actions or inactions. Most likely, the reinforcement of conspirological narratives on the political level is done quite often inadvertently and due to the incomprehension of the Chinese foreign policy goals in the region by Central Asian elites.

In any case, as recent land protests in Kazakhstan exposed, the anti-Chinese sentiments are still deeply rooted in the region. Fears that Beijing's grander plan is to co-opt the Central Asian states and turn them into clientelist states prevail in public and political discourses. In fact, those views dominate neighbouring Russia as well. The new role of Beijing as the main economic and development player in Central Asia is being unrecognised in public discourses due to the sensitivity of Moscow to such processes. The Kremlin reacted sensitively to most developments in Central Asia related to the engagement of other players. This attitude, for instance, explains why Russia resisted the Chinese efforts to evolve the Shanghai Cooperation Organization (SCO) in a more economic and development direction.

Furthermore, there are other factors that can jeopardize the successful implementation of BRI projects in Central Asia. For instance, powerful elites and special-interest groups in Central Asia are infamously experienced at capturing the state through corrupt and nefarious practices. As such, BRI runs the risk of becoming a new source of rent for Central Asia's kleptocratic elites (Toktomushev, K., 2018). Central Asia is an infamous case, in which to examine the dynamics of rent-seeking and its transnational outreach, and there are alarming signs of how privileged groups extract rent and enrich themselves in weak and underdeveloped states of the region.

Chinese companies themselves do not often abide by the normative expectations of responsible development, aggravating the issues of political accountability and economic governance in Central Asia (Toktomushev, K., 2018). For instance, in April 2016, Temir Sariyev, the then-Prime Minister of Kyrgyzstan, had to resign amidst the corruption allegations involving a \$100 million road construction project that has been carried out by Chinese construction company Longhai. As a result, one of the most urging questions to explore is how China's non-transparent modes of foreign investment will develop in the graft-prone region of Central Asia.

There are also potential points of friction between Russia and China that need to be taken into account (Toktomushev, K., 2015 pp. 33-35). It is yet to be observed the impact of the Eurasian Economic Union and its tariffs on the level of trade and investment in the region, since China remains one of the principal economic partners of the Central Asian states and their main source of development finance. But there is a widely accepted belief in Russia that the country is emerging as the world's greatest power, and thus it should be treated as an equal partner on international arena.

At the moment, Beijing appears to understand Moscow's vision of the China's role in the Russian geopolitical system of axes, and for now China is willing to accept these popular discourses and play an informal leader-

ship, or rather co-leadership role in Central Asia. As a result of such an approach, China is emerging as a much stronger and greater player in the Central Asian region, and perhaps beyond. Beijing acquired not only exclusive access to the Russian resources, but also Kremlin's political support to be more proactive in the Russian "near abroad". The Silk Road Economic Belt and the Asian Infrastructure Investment Bank are some of those exemplary initiatives spearheaded by China and endorsed by Russia. Nonetheless, again, it remains unclear to what extent Russia will tolerate the engagement of the Central Asian states in the Chinese-led activities such as the BRI projects (Toktomushev, K., 2015 pp. 33-35).

That said, the Central Asian states may exploit the potential Sino-Russian rapprochement for their own benefit. Both Russia and China emerge as the convenient partners for the Central Asian leaders to cooperate with, since both Russia and China may act the guarantors of security from external threats and serve as the sources of funding for the Central Asian states. Yet, most importantly, neither Moscow nor Beijing is demanding democratic transformations from the Central Asian governments as the prerequisite for such support.

In addition, it appears that both Russia and China are interested in the stability of Afghanistan, especially after the withdrawal of American troops. Beijing fears that Central Asia can be used as a fertile ground to breed instability in neighbouring Xinjiang. Xinjiang or officially the Xinjiang Uyghur Autonomous Region is the largest administrative division of China that borders eight countries including Afghanistan, Kazakhstan, Kyrgyzstan and Tajikistan. Xinjiang is home to approximately ten million Uighurs. In the 1990s, following the collapse of the USSR, Xinjiang experienced a surge in national sentiments amongst the Uighurs, which were suppressed by official Beijing. Hereafter, the restive region of Xinjiang has emerged as an infamous news headliner. The region became subjected to a number of brutal attacks carried out by Islamic militants, whilst official Beijing also continued a hard-line security policy to suppress such extremist movements.

In a similar vein, Afghanistan is also often portrayed in the Central Asian political discourses as one of the greatest sources of regional instability. These views are bolstered by the alleged assumptions that there is a trend of Muslim radicalisation in Central Asia. Moreover, according to the United Nations Office on Drugs and Crime, nearly a quarter of the heroine produced in Afghanistan is trafficked north to Russia through Central Asia. The existence and durability of such drug trafficking routes further contributes to Afghanistan's negative image of an exporter of instability.

Accordingly, such discourses may explain why China is willing to play a more visible role in Afghanistan. It seems that China wants to undertake the role of a mediator in Afghanistan and accelerate regional efforts to bring all engaged parties to the negotiating table. In fact, it has been long assumed that China established and maintained direct links to the Taliban prior to the Operation Enduring Freedom. There were even some contested reports that China has signed a memorandum of understanding on economic and technical cooperation with the Taliban leadership in Kabul in 2001, whilst the delegations of Chinese and Afghan businessmen paid reciprocal visits to Afghanistan and China respectively. Of course, these developments were voided after the events of 9/11, and Beijing preferred to distance itself from Afghanistan.

Nonetheless, it appears at the moment that the Chinese leadership is genuinely interested in regional peace and de-escalation of conflict in Afghanistan, particularly taking into account the Chinese commitment to invest nearly \$40 billion into the Central Asian infrastructure through its BRI programme. It is yet unclear how far Beijing is willing to go in brokering peace in Afghanistan, as it is unclear what role Afghanistan will play as part of the BRI initiative. It is certain, however, that the Chinese engagement in Afghanistan and Central Asia will only grow, although less assertively than Russia's involvement in Central Asia.

In general, it is evident that China wants Central Asian states to synchronise their individual economic development goals with the larger Silk Road vision, since economic ties between China and Central Asian states are stronger than political discourses prevailing in the region. Xi Jinping's signature project, BRI, advances a particular vision of Chinese development. China plans to revive the classic Silk Road trade routes and construct new economic corridors—all under the discourse of building “a community of common destiny”. The question that remains open is whether China will be able to foster such a sense of the community of common destiny across Central Asia, as fault lines in the region run very deep. The ruling regimes in Central Asia tend to prioritise their own security and shape foreign policies of their countries in accordance to their perceptions and home-generated threats. As a result, whilst the Central Asian elites may demonstrate commitment to regional integration initiatives, in reality they are still unwilling to be bound by new “big brother” ties.

REFERENCES

- “Vision and actions on jointly building Silk Road Economic Belt and 21st-Century Maritime Silk Road”, National Development and Reform Commission of the People’s Republic of China, March 28, 2015, http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html.
- HEATHERSHAW, J. (2012), “Of national fathers and Russian elder brothers: Conspiracy theories and political ideas in Post-Soviet Central Asia”, *The Russian Review*, vol. 71, no. 4, pp. 610-629.
- MINISTRY OF FINANCE OF THE KYRGYZ REPUBLIC (2017), “Struktura Gosudarstvennogo Vneshnego Dolga,” April 30, 2017, <http://minfin.kg/ru/novosti/mamlekttik-karyz/tyshky-karyz/struktura-gosudarstvennogo-vneshnego-dolga-kr-po-s4046.html>.
- MOODY’S (2015), “China’s Belt and Road Strategy—Credit Positive for Emerging Market Sovereigns,” *Moody’s*, July 28, 2015, https://www.moody.com/research/Moodys-Chinas-Belt-and-Road-Strategy-Credit-Positive-for-Emerging-PR_331106.
- TOKTOMUSHEV, K. (2015), “A Dragon Meets a Bear in Central Asia”, *China-US Focus Digest*, vol. 7, July, pp. 33-35.
- TOKTOMUSHEV, K. (2018), “One Belt, One Road: A New Source of Rent for Ruling Elites in Central Asia?” in Laruelle, M. (eds.) *China’s Belt and Road Initiative and Its Impact in Central Asia*, Washington, DC: The George Washington University, Central Asia Programme.
- WORLD BANK GROUP (2015), “Tajikistan: A moderate slowdown in economic growth coupled with a sharp decline in household purchasing power”, Tajikistan Economic Update 2.