

# Looking West: China and Central Asia

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This testimony, which is presented here in telegraphic form, addresses three sets of questions:

- 1) *What is China's so-called "New Silk Road" project? What are China's motives in it? And where is it leading?*
- 2) *What are the implications this project for the sovereign states of Central Asia, also, for Afghanistan and the Caucasus?*
- 3) *Is this project compatible with, or even supportive of, US interests in Central Asia? And how should the US respond to it?*

## I. What is China's so-called "New Silk Road" project, and what are China's motives in it? What is new about it? What isn't?

China's "New Silk Road" project is an economic and security program to open a land route between China and Europe that can supplement existing southern sea lanes and substitute for them in the event that access to those lanes is threatened or closed.

The program systematizes and packages under a single heading and administrative body what China has been doing through diverse channels since the collapse of the USSR in 1992. Moreover, it elevates transport to the level of a geopolitical project of prime importance.

Paradoxically, it takes its name from a US program announced in 2011, which in turn took its name from the title of an American conference in Kabul in 2005 and a book based on that conference that appeared in 2007.

Down to the collapse of the USSR the Sino-Soviet border was the longest and most closed border on earth. This heavily defended zone erupted in fighting between the two Communist giants in the mid-1960s. Throughout this period China feared efforts by Soviet Russia to undermine its rule in Xinjiang. These efforts including militarizing the Soviet side of the border and the issuance of Soviet passports to Turkic peoples in Xinjiang. The CIA assisted China in resisting these pressures.

Over strong Russian resistance, China after 1993 moved swiftly to open a direct land bridge to and from the West through Kazakhstan that would avoid Russia. These links were to include roads and railroads, and also oil and gas pipelines from Kazakhstan. At conferences in St. Petersburg and Urumchi Russia strongly opposed this effort. But China paid the Asia Development Bank to lead the project, which proceeded over Russia's opposition. At the same time, the European Union conceived its TRASECA ("Transport Corridor Europe-Caucasus-Asia") project as a railroad link to Central Asia and beyond via the Caucasus. The two initiatives were compatible but not integrated.

China is motivated by three quite distinct concerns:

- 1) China feared, and fears, all currents among the Turkic and Muslim population of Xinjiang that favor decentralization and self-government, which Beijing invariably characterize as separatism and religious-based extremism and terrorism. This has replaced Taiwan as a main strategic challenge. By drawing the newly sovereign Central Asian states closer to itself China seeks to neutralize those states as sources of support for Turkic Xinjiang and also foster economic development in Xinjiang itself. Regarding Xinjiang, China has followed a two-pronged policy: first, to use soft power to foster economic development on the dubious grounds that prosperous people don't revolt, and 2) a hard policy bluntly named "Strike Hard, Maximum Pressure." The Silk Road is a cross-border extension of the soft policy.
- 2) China seeks a direct trade route with the West that is able to carry middle-weight goods in both directions more efficiently than either the slow sea-lanes and the fast but expensive air lanes.
- 3) China sees its strategic interests as demanding a route to the West that is free of Russian control and which can carry large volumes of goods in the event that the southern sea-lanes are closed by hostile actions.

Where is this leading?

China's initial \$50 billion US investment in its Asian Infrastructure Investment Bank sounds like a huge sum and leads many to assume wrongly that China will inevitably control the new routes westward. This is not necessarily so, for four reasons:

- 1) Separate and very large-scale investments in transport infrastructure already made by international financial institutions, Central Asian states themselves, the governments of Azerbaijan, Georgia, Turkey, and the European Union, are absolutely essential to the creation of an East-West land corridor across Central Asia. These investments have already been made and in toto are comparable with what China is investing. This inevitably gives these other investors a strong voice in the management of the resulting routes.
- 2) Land corridors, unlike sea lanes, are under the jurisdiction of the sovereign states through which they pass, all of which can exercise a decisive voice in their use.
- 3) Existing international conventions set specifications and conditions for land transport, and their implementation is overseen by a host of official and semi-official international bodies, including the International Road Transport Union, etc.
- 4) On the basis of constantly updated data, shippers themselves (most of whom are private) make stern and frequently updated, market-based judgments on every aspect of any road or rail transport route, including tariffs, speed of transiting borders, bureaucratic impediments, and the like. Neither China nor anyone else can pretend to control the routes as free agents.

## II. What are the implications this project for the sovereign States of Central Asia, also, for Afghanistan and Caucasus?

The new states of Central Asia see the following implications of the new trans-continental routes passing through their territories:

- 1) The new east-west routes replace the former one-hub system focusing on Moscow that existed throughout the tsarist and Soviet eras. The new routes thus weaken Russia's control over their economies.
- 2) All the new states of Central Asia pursue what they call a "balanced" foreign policy, in which they seek to balance Russia with China and

both of them with the US and Europe. The new routes have the potential, but so far only the potential, to promote this strategy.

- 3) If China's initiative opens them to closer links to the East, they can also, with the development of westward links across the Caspian and through the Caucasus to Europe, have the potential to link them more closely also to the West. For the time being this, too, is only in potential.
- 4) Transcontinental transport requires a dense infrastructure of "soft" institutions, including freight forwarders, logistic firms, insurers, hotels, supply bases, storage facilities, fuel suppliers, etc. These offer both a potential field for Central Asian activity or, if they fail to seize the opportunity, the danger of having an important sector of their economies owned or dominated by outsiders. If most of these firms turn out to be Chinese, these heretofore sovereign countries could slip fully and irrevocably into a Sinocentric orbit, and be reduced over time to the status of Chinese vassal states or protectorates.
- 5) American analyst Stanley Toops has shown that Chinese migration has occurred mainly along new railroad corridors. Central Asian states worry that they might not be able to prevent spontaneous migration along the new rail corridors through their territory.

### III. Is this project compatible with, or even supportive of, US interests in Central Asia? And how should the US respond to it?

As of this moment, the West has what is at best a declarative policy, with neither a carefully conceived strategy nor focused tactics for achieving it.

To its credit, the EU has recently moved to revive and revitalize its flagging TRASECA Program and to link it explicitly with the work being undertaken by China, the Central Asian countries, and Caucasus states.

As of now, the US has neither planned nor implemented a program to encourage western governments and especially the private sector to take an active and central role in the "soft" infrastructure of the new China-Europe corridor. Absent this, the Central Asians' "balanced" strategy remains a pipe dream, and the security of their region is left, by default, increasingly in the hands of China and Russia.

To the extent this happens, it directly threatens US interests, which call for strong, economically viable, and sovereign states in Central Asia to build their own security from within, rather than having it imposed from without--which for 2,000 years has been a formula for instability and struggle. On this point US interests, actively pursued, coincide with the China's and Russia's legitimate concern for stability in the areas to their west and south, respectively.

The US' "New Silk Road" program focuses on North-South links between Central Asia, Pakistan, and India via Afghanistan.

Positive dimensions of this program include the following:

- 1) Progress on constructing certain roads and electricity lines (CASA 1000) between central Asia across Afghanistan to Pakistan.
- 2) Successful negotiation of an Afghanistan-Pakistan Transport and Trade Agreement (APTTA).
- 3) Fostering contact among regional traders and businesses.

Shortcomings of the US' Silk Road Program include:

- 1) Failure to implement APTTA.
- 2) Failure to advance the TAPI pipeline from Turkmenistan to India via Afghanistan and Pakistan.
- 3) Overreliance on Asia Development Bank's CAREC program, which has proven bureaucratic and slow and which, significantly, does not include India and does not adequately link the Southern Corridor with Turkmenistan and the Caucasus.
- 4) Failure to mount a significant planning effort for Afghan railroad development.
- 5) Most important, America's "New Silk Road" initiative fails to embrace, either in theory or practice, the reality that there are TWO emerging transport corridors across Eurasia, the China-Europe route and the India-Europe route ("Southern Corridor"), and that both must be developed together. China has taken the lead in developing the former route which, as noted above, is compatible with US interests provided

the US and Europe become active partners in the development of its western side and of the soft infrastructure within Central Asia.

The US to now has failed to assume a leadership role in opening the Southern Corridor. By failing to take the lead in developing the India-Europe route, the US will effectively leave this task, too, to China and its New Silk Road program, since India's main concerns for the time being are to the East and the sea lanes. Equally important, it assures that Central Asia's crucially important balancing route--its "door to the South"-- remains closed.

*For any one country or group of countries to exert dominant control over all the main regional transport routes is, to repeat, a formula for long-term instability in a region surrounded by nuclear powers. Moreover, it privileges China and Russia, with their authoritarian and undemocratic systems, at the long-term expense of India, with its more decentralized, multi-party system, based on elections and rights-based laws. This is not in the US's interest. US interests demand a balanced approach involving links between North and South and between both India and China and the West.*

The following steps are required to advance US interests in Central Asia with respect to the emerging East-West transport corridors.

- 1) *Engage with the US Chamber of Commerce and private sector firms and groups to open channels for them to participate in the development of Central Asia's "soft" transport infrastructure, either directly or as investors in Central Asian and Afghan firms.*
- 2) *Work with the European Union to establish continent-wide bodies for identifying and removing blockages to the free movement of trade along the China-Europe corridor and on the India-Europe corridor. Such bodies must include China and India but must be free of existing regional political blocs, including the Shanghai Cooperation Organization and the Eurasian Economic Union.*

Both of these initiatives would enable America's Central Asian partners to pursue successfully their "balanced" policy with respect to trade, and to strengthen thereby their sovereignty.

- 3) *Move aggressively to bring the Southern Corridor (Europe-Caucasus-Turkmenistan-Afghanistan-Pakistan-India-Southeast Asia) fully within the American "New Silk Road" program and to engage all countries in the region,*

*including Central Asian states, in its full implementation.* The purpose of this effort is to bring the US-sponsored Southern Corridor to the same level of attention and development as the China/EU-sponsored China-Europe corridor and, ultimately, to link the two in a single Eurasia-wide transport corridor with multiple national stakeholders and dominated by no one.

Conclusion:

*The proposals enumerated above are entirely compatible with the interests of China and India, as well as the states of Central Asia, including Afghanistan. They are against no one.*