

BULLETIN

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China's Policy Towards Central Asian SCO States

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The Shanghai Cooperation Organisation is a platform that helps the Peoples' Republic of China (PRC) to strengthen its political ties with the republics of Central Asia. The main dimension of China's cooperation with its partners from the region is in the economic sphere. China's aim is to stabilise the Central Asian states, which are important for the security of the region, including the Chinese province of Xinjiang. The PRC may soon become the most important external international actor in Central Asia. The European Union, despite much weaker potential, should also be politically present in the region.

The Role of the SCO. The Shanghai Cooperation Organisation (SCO) was created in 2001 by Russia, China and four Central Asian republics—Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The organisation aims to combat the three “evils” of terrorism, separatism and religious extremism. For Russia and the PRC, it was also intended to be a tool to limit U.S. influence in the region. Today, however, SCO remains more a political factor in Sino-Central Asian approximation, which is a consequence of the growing economic importance of the PRC in Central Asia. Although the SCO itself is not a very active international alliance, it is a platform that helps China strengthen its influence in the region.

The SCO, despite little activity, is of exceptional political importance. Apart from the UN, it is the only international organisation addressing security issues involving China. The purpose of the SCO countries at a summit in Beijing on 6–7 June was to display the active role of the organisation in shaping security in Asia. For China, Russia and the republics of Central Asia, one of the main problems is the risk associated with the withdrawal of NATO troops from Afghanistan in 2014, the growth of Islamic extremist activity and the potential for increase in drug smuggling. The SCO's response to these threats has been plans for greater involvement in the reconstruction of Afghanistan and granting that country observer status in the organisation. Other challenges for the SCO countries include potential protests by their own societies against the ruling elites, with precedents such as the anti-government insurgency in Uzbek Andijan in 2005, and the revolution in Kyrgyzstan in 2010, which led to the overthrow of President Kurmanbek Bakiyev. A rule adopted at the summit in Beijing on a collective response to events that threaten regional peace, security and stability, formally gives the right to SCO member states to intervene in each other's internal affairs in the event of an outbreak of internal conflict.

SCO and Russian Integration Projects. Although one of the originators of the SCO was Russia, now the organisation is competitive with Russian integration projects for former Soviet republics. The role of the Russia-controlled Collective Security Treaty Organisation (CSTO) is weakening. Its members in Central Asia are Kazakhstan, Kyrgyzstan and Tajikistan. CSTO showed total passivity in the face of the political crisis in Kyrgyzstan in 2010, which was followed by paralysis of the state apparatus and pogroms of the Uzbek minority in the south of the country. Another manifestation of the weakness of the organisation was Uzbekistan's suspension of membership on 28 June this year. This should be interpreted not only as an expression of distrust of the Russian political project of CSTO by the Uzbek authorities but also a step towards maintaining a balance in relations with Russia, the U.S. and the increasingly important partner, China.

Bilateral Cooperation. The economic and political growth of China is apparent in each of the four Central Asian SCO member states, as well as in Turkmenistan. Due to rich deposits of natural gas,

the country has become an object of China's interest in the past decade. This resulted in the construction of a gas pipeline from Turkmenistan to China, which was completed in December 2009, and an agreement to transit up to 40 billion cubic metres of gas per year to the latter.

Chinese investors are also present in strategically important sectors—energy, transport and telecommunications—of Uzbekistan's economy. Uzbek President Islam Karimov, at the June SCO summit in Beijing, received a promise of Chinese investments and loans for the sum of \$5 billion. He also signed a strategic agreement with the PRC.

Kazakhstan and China concluded a similar agreement in 2011. The two countries are linked by strong economic ties, especially in the energy sector. The Atyrau–Alashankou pipeline, owned by Kazakh company KazMunaiGaz and the China National Petroleum Corporation, is a source of oil for the Dushanzi refinery in the Chinese province of Xinjiang. The shares of Chinese capital in a number of Kazakh fuel companies ranges from 50% to 100%. For this reason, last year's protests by oil sector workers in Kazakh Zhanaozen have not been treated with indifference by the government in Beijing. In recent years, China has been taking care of its image in Kazakhstan, implementing social and development programs in areas where Chinese companies operate.

Chinese investments are a major source of capital in Kyrgyzstan. Enterprises in China are expanding road connections between the two countries. For the PRC, the close proximity of Kyrgyzstan with the Xinjiang is essential. The government in Beijing perceives Xinjiang as a restless province because of the separatism of the Muslim Uighur minority. In order to stabilise Xinjiang, Beijing wants to develop the economy of the province, link it with the rest of the country, and maintain security in neighbouring post-Soviet Central Asia and Afghanistan.

The least important SCO member for the PRC is Tajikistan. Although in terms of the stabilisation of Afghanistan it may be an important link for China to routes leading to the ports of Pakistan and Iran. For the government in Dushanbe, the PRC and SCO are important sources of credit. At the June summit in Beijing, Tajik President Emomali Rahmon received a \$2 billion loan from the Chinese government.

China's economic and political expansion in Central Asia has been accompanied by the promotion of Chinese culture and language. In all four Central Asian SCO member states, there are Confucius Institutes, which offer language courses and cultural programs. The institute in Uzbekistan was established in 2005 and was one of the first of its kind, pre-dating institutes in other countries in Asia, Europe and America.

Conclusions and Recommendations. For China, Central Asia is an important source of raw materials (oil and gas, but also uranium, rare metals). It is also a growing market for Chinese goods. However, the activity of the PRC in the republics of Central Asia is not limited to the economy. Political cooperation within the SCO and Beijing's bilateral efforts with the countries of the region are aimed at stabilising the neighbourhood of Xinjiang. Taking into account China's potential, the process of expanding its political influence in Central Asia may lead to the creation of a *Pax Sinica* zone, which due to the weakness of Russian integration projects will fill the strategic vacuum left by the collapse of the Soviet Union.

Chinese economic and political engagement is positively perceived by the republics of Central Asia. Cooperation with the PRC allows them to lead more independent policies, not only from Russia but also from the West. The problems in relations with Western countries stem from the regional governments' different approach to the issue of human rights and democracy. This element is absent in China's purely pragmatic policy. The PRC's economic expansion, although often perceived as a threat by regional producers, brings benefits. China is an investor that has not withdrawn from the region despite the global economic crisis.

The EU does not have the political and economic potential of China in the region. However, it should support the modernisation of the Central Asian republics by engaging in selected sectoral projects, such as border security reform or cooperation in culture, education and science. In dialogue with the PRC, the EU should emphasise the need to stimulate reforms in the region, a condition *sine qua non* of stability. China and the EU should seek to coordinate development assistance for countries in the region and also consult on security issues in Central Asia. In contacts with the SCO, the EU must point to it and China's common interests in Central Asia and Afghanistan. A worsening political and economic situation in the countries of the region would negatively affect both the PRC and the EU (and also Russia), resulting in a deepening of already serious problems such as mass emigration due to poverty and unemployment, Islamic fundamentalism, drug trafficking and internal and regional conflicts.